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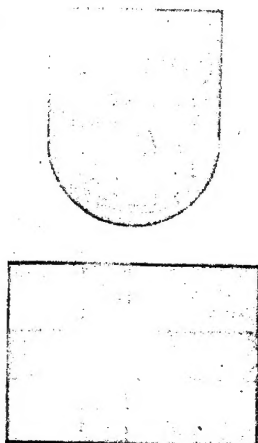
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## FINLAND

Republic of Finland  
Suomen Tasavalta



**CAPITAL:** Helsinki. **FLAG:** The national flag contains an ultramarine cross with an extended right horizontal on a white background. The Åland Islands (Åhvenanmaa) have, in addition, a provincial flag. **ANTHEM:** *Maamme* (in Swedish, *Vårt land*) (Our Motherland). **MONETARY UNIT:** The markka of 100 pennia is a nonconvertible paper currency with several official exchange rates. Par value is set at 2.777 mg. of fine gold. One markka equal \$0.03125 (or \$1 equals 320 markkaa). There are coins of 1, 5, 10, 20, 50, 100, 200, and 500 markkaa, and notes of 100, 500, 1,000, 5,000, and 10,000 markkaa. **WEIGHTS AND MEASURES:** The metric system is the legal standard. **HOLIDAYS:** New Year's Day, 1 January; Epiphany, 6 January; Labor Day, 1 May; St. John's Day, 20 June; All Saints' Day, 1 November; Independence Day, 6 December; Christmas, 25 December; Boxing Day, 26 December. Movable religious holidays include Annunciation, Good Friday, Easter Monday, Ascension, and White Monday. **TIME:** 2 p.m.=noon GMT.

### 1 LOCATION, SIZE, AND EXTENT

Finland, part of Fenno-Scandia (Scandinavian Peninsula, Finland, Carelia, and Kola Peninsula), lies between 59° 48' and 70° 5' N. (about 719 miles) and 20° 33' and 31° 35' E. (about 337 miles). About one third of its total length lies above the Arctic Circle. It has land border on the west with Sweden (536 km.), on the north and west with Norway (729 km.), and on the north and east with the USSR (1,269 km.). The sea boundary, Gulf of Finland on the south and Gulf of Bothnia on the west, is 1,100 km. The total area is 337,009 km. (130,120 sq. mi.), of which 305,396 sq. km. is land, 31,613 sq. km. water, excluding seas. Despite territorial losses to the USSR after World War II amounting to 44,104 sq. km. or about 12% of the country's total prewar area, Finland remains one of the largest European states. There are ten provinces: Lappi, Oulu, Vaasa, Kuopio, Turku-Pori, Häme, Mikkeli, Kymi, Uusimaa, and Åhvenanmaa (Åland Islands).

### 2 TOPOGRAPHY

South and west Finland consists of a coastal plain with a severely indented coastline and thousands of small islands stretching out to the Åland Islands. Central Finland is an extensive lake plateau with a majority of the country's 55,000 lakes; 40% of the area of Mikkeli Province is water. North Finland is densely forested upland, and in the Norwegian border area are the highest elevations (Haltiatunturi near Enontekiö rises 1,324 meters or 4,344 feet above sea level). Extensive, interconnected lake and river systems provide important natural waterways. The navigable length of internal lakes and canals totals 2,700 miles, the floatable length 26,500 miles.

### 3 CLIMATE

The climate is unusually mild for the high latitude. During winter Finland's temperature averages from 18° to 21.6° F. warmer than in similarly situated regions, 10.8° F. warmer in its average annual temperature, which is 33.8° F. Helsinki's temperature during 1957 ranged from a low of 22.2° F. in March to a high of 64.4° F. in July. Snow cover lasts from about 90 days in Åland to 250 days in Enontekiö. It is generally deepest in March, averaging 25.6 inches. Average annual rainfall over the years 1886-1935 has ranged from a low of 20.4 inches in north Finland to a high of 27.5 inches in south Finland.

### 4 FLORA AND FAUNA

Forests, chiefly pine, spruce, and birch, are economically the most significant flora. There are over 1,200 native species of higher plants plus several thousand other forms. Of 13,500 species of fauna, only 450 are vertebrates. Fur-bearing animals (otter, marten, ermine) are declining in number, while elk, fox, and beaver have increased. Of some 300 species of birds, half of which nest in Finland, perhaps the best known is the cuckoo, the harbinger of spring. Thirty-three of some 68 species of fish have economic importance; in fresh waters the perch, walleyed pike, great northern pike, and others are plentiful. Salmon remains the favorite of flyrod enthusiasts. More than 11,700 species of insects have been found in the country.

### 5 POPULATION

On 31 December 1959 the total population was 4,433,700; 63.4% lived in rural districts, 36.6% in towns. Population density averaged 14.3 per sq. km., from a high of 79.9 in Uusimaa Province to a low of 2.1 in Lappi Province. The five largest towns at the end of 1959 were: Helsinki, 453,800; Tampere, 123,600; Turku, 123,000; Lahti, 63,800; and Oulu, 54,700. At the end of 1957 the sex ratio was 1,082 females per 1,000 males. Some 420,000 evacuees were resettled in Finland following the loss of the Carelian Isthmus and other territories.

### 6 ETHNIC GROUPS

Excluding resident aliens (7,405 at the end of 1957, chiefly Russians, Swedes, and Germans), there were only two numerically insignificant non-Finnish ethnic groups: Lapps and Gypsies. There were 2,529 Lapps in 1949, living chiefly in Inari, Utsjoki, Enontekiö, and Sodankylä. Several societies have been established to foster the preservation of Lappish language and culture. There were an estimated 3,569 Gypsies in 1954, half children, found chiefly in Vaasa Province and adjoining regions. Studies indicated that 18% were completely nomadic in 1954, 37% partially. About 25% were regularly employed as wage-earners; 40% of the adults over 16 years were unable to read.

### 7 LANGUAGE

Division into two language groups, Finnish and Swedish, has had considerable cultural and political significance in the past. In 1950 Finnish-speaking were 91.1%, Swedish-speaking 8.64% of the population (comparable percentages in 1890, 86.07% and 13.56%). Decline in the Swedish-speaking element has

been due to a higher rate of emigration and a lower birth rate. Largest numbers of Swedish-speaking Finns are found in the Åland Islands (96.3% of their population in 1950), Uusimaa Province (25.2%), and Vaasa Province (18.6%). Swedish, the second legal language, is given constitutional safeguards. Use of other languages is numerically unimportant: in 1950 only 0.12% spoke Russian, 0.06% Lappish, and 0.08% other languages. Finnish belongs to the Finno-Ugric language group, and is closely related to Estonian, remotely to Hungarian.

#### **\* RELIGION**

Religious freedom is guaranteed in the constitution, but 93.3% of the populace belong to the Evangelical Lutheran National Church, which enjoys state support. Its supreme body is the Church Assembly, with jurisdiction over internal affairs; it also initiates church law, which requires the approval of parliament and the president of the republic. Also state-supported is the Greek Orthodox Church in Finland, which had 74,307 communicants on 1 January 1958. Other religious bodies number 14, of which the largest are the Free Church, Adventists, Jehovah's Witnesses, Swedish Lutherans, Methodists, Baptists, Roman Catholics, and Jews. The Civil Register comprises those individuals who prefer not to affiliate with any church. Their number was 201,538 at the end of 1957.

#### **\* TRANSPORTATION**

At the end of 1956 there were 35,032 km. (21,768 miles) of main roads, largely gravel, under the Administration of Public Roads and Waterways. At the end of 1957 there were 184,836 motor vehicles including 126,864 passenger cars and 55,810 commercial vehicles. In addition, there were 86,252 motorcycles. Of the 5,256 km. (3,266 miles) of railroads in operation in 1957, 5,100 km. (3,169 miles) were state-owned. The merchant marine totaled 777,068 gross tons at the end of 1957 (compared to the 257,000 tons remaining after World War II); 274 were steamers and 186 motor ships. More than half of the ships are more than 25 years old. The maximum annual capacity of Finnish shipyards is about 150,000 gross tons. The most important harbors are Helsinki, Kotka, and Turku. In recent years about 45% of the foreign trade is carried in Finnish bottoms. Owing partly to the loss of the Saima Canal after the war, canal traffic is about half of the prewar tonnage.

Two companies, Aero (or Finnair) and Kar-Air, are engaged in civil air transport over domestic routes. In 1957 they had 95 planes, of which 20 were in scheduled service. The most important airport is Seutula (Helsinki). Twice weekly service between Helsinki and Moscow was inaugurated by Aero in February 1956. After the UK, Finland uses more domestic air routes in ratio to population than any other European country.

#### **<sup>10</sup> COMMUNICATIONS**

Postal and telegraph service are state operated. Telephone lines are both state and privately owned. There were 88,153 telephones connected with the state system, and 436,477 telephones connected with privately owned lines in 1957.

Radio receivers are licensed, the number in 1957 being 1,111,887. Of the licensees, 51.8% lived in rural regions. Broadcasting on both AM and FM frequencies is centralized in a joint-stock company Yleisradio, 90% of its shares owned by the state. Experimental television broadcasting began late in 1956, regular programming on 1 January 1958. Suomen Televisio, an affiliate of Yleisradio, has transmitters at Helsinki, Lahti, Turku, and Tampere.

#### **<sup>11</sup> HISTORY**

Finland, formerly a province of the Swedish kingdom (1150's-1809) and an autonomous grand duchy of Russia (1809-1917), has been an integral part of the Finnish Republic since 1917. The present-day Finns, hunters, trappers, agriculturists, came to

Finland by way of the Baltic regions during the first centuries A.D., spreading slowly from south and west to east and north. Swedish control was established gradually following several religious crusades, the first around 1154. By 1293 Swedish rule had extended eastward as far as Karelia, with colonization by Swedes in the southwest and along the Gulf of Bothnia. As a result of over six centuries of attachment to the Swedish realm, Finnish political institutions and processes (marked by growing constitutionalism and self-government), economic life, and social order developed largely along Swedish lines.

After Sweden's military defeat in 1808-09, Finland was transferred to Russia. Alexander I granted Finland a privileged autonomous status, continuing the grand duchy's constitutional heritage. He, like his successors, took a solemn oath to "confirm and ratify the Lutheran religion and fundamental laws of the land as well as the privileges and rights which each class and all the inhabitants have hitherto enjoyed according to the constitution." During the quiescent years of the conservative reaction (1809-62), a nationalist movement found support. Toward the end of the 19th century a Russian drive to destroy Finland's autonomy ushered in several decades of strained relations, broken only for a few years by the Revolution of 1905, as a result of which Finland gained a modern political structure with universal suffrage. After the Bolshevik seizure of power in Russia in the fall of 1917 Finland declared its independence on 6 December. A short civil war ensued (28 January-10 May 1918), with intervention of both the Communists and Germany.

In July 1919 Finland became a democratic parliamentary republic. In the nearly two decades of peace following the settlement of disputes with Sweden (over the Åland Islands) and the USSR (East Karelia), there were noteworthy economic and social advances. Despite its neutral pro-Scandinavianism of the 1930's, the country was unavoidably entangled in the worsening relations between the great powers. Negotiations with the USSR broke down in 1939, and two wars with the USSR followed: the Winter War, 30 November 1939-13 March 1940, and the Continuation War, 25 June 1941-19 September 1944. The armistice terms, later confirmed by the Paris Peace Treaty of 10 February 1947, provided for cession of territory and payment of reparations to the USSR and imposed obligation to compel German troops in Finland to evacuate the country; this resulted in German-Finnish hostilities during the fall and winter of 1944-45.

Postwar Finland's economic recovery on the whole has been striking. Foreign policy has had a twofold objective: to maintain good relations with the USSR and honor the Treaty of Friendship and Mutual Assistance of February 1948, the preamble of which refers to "Finland's desire to remain out of the conflicting interests of the Great Powers"; and to continue to develop and strengthen close economic and cultural ties with the West, particularly with the Scandinavian democracies.

#### **<sup>12</sup> GOVERNMENT**

Finland is a parliamentary republic. Supreme executive power is vested in a president, who presides over and is assisted by a council of state (cabinet) of 15, who must enjoy the confidence of parliament. The president is chosen by an electoral college of 300 for a six-year term. Electors are chosen directly by the voters on 15 and 16 January, and meet on 15 February to elect the president, who must receive at least 151 votes. On several occasions the regular election procedure has been set aside by special legislation extending the terms of the electors or permitting parliament to elect the president. The president appoints and dismisses judges, judges of the public officials; dissolves parliament; initiates legislation and issues de-

crees; directs foreign relations; and is commander of the armed forces.

The parliament (Eduskunta) is a single-chamber legislative body originally set up in 1906. Its 200 members are elected for four-year terms in direct and proportional elections. The suffrage is universal at age 21. Finland was the first country in Europe to grant suffrage to women in national elections (1906), and women play an important role in politics. Parliament is convened annually on 1 February; in recent years the statutory session of 120 days has generally been exceeded. A speaker and two vice-speakers are chosen at the opening of the session. Five committees are provided for in the constitution, and additional committees may be created. A grand or great committee of 45 acts in part as a second chamber, examining all bills prior to their consideration by parliament. The council of state or cabinet is collectively responsible for its acts to parliament, but the overthrow of a cabinet (which has not been infrequent in postwar years) does not affect the exercise of supreme executive authority of the president, a factor assuring a certain continuity of policy.

### 13 POLITICAL PARTIES

The party composition of parliament and the popular vote in the elections of 1958 were:

PARTY	POPULAR VOTE 1958	SEATS IN 1958	SEATS IN MAY 1959
Finnish People's Democratic League	450,506	50	50
Social Democratic	450,212	48	37
Agrarian	448,364	48	47
National Coalition	297,094	29	29
Swedish People's	130,888	14	14
Finnish People's	114,617	8	8
Social Democratic Opposition	33,947	3	14
Finnish Small Farmers'	—	—	1

Of the legislature's 200 members, 28 are women. On 9 February 1959 a new political party was organized, the Finnish Small Farmers' party that has one seat.

The Social Democratic party (Suomen Sosialidemokraattinen Puolue) was organized in 1899 but did not become a significant political force until 1907, following the modernization of the country's parliamentary structure. Swedish-speaking Socialists have their own league within the party. The party's program has been moderate, and its emphasis on the partial nationalization of the economy has in recent years given way to improvement of the condition of wage earners through legislation. The party has generally worked closely with the trade union movement and has been a vigorous opponent of Communism. Recently there has occurred a serious split in the party, and the Social Democratic Opposition now has 13 seats in parliament.

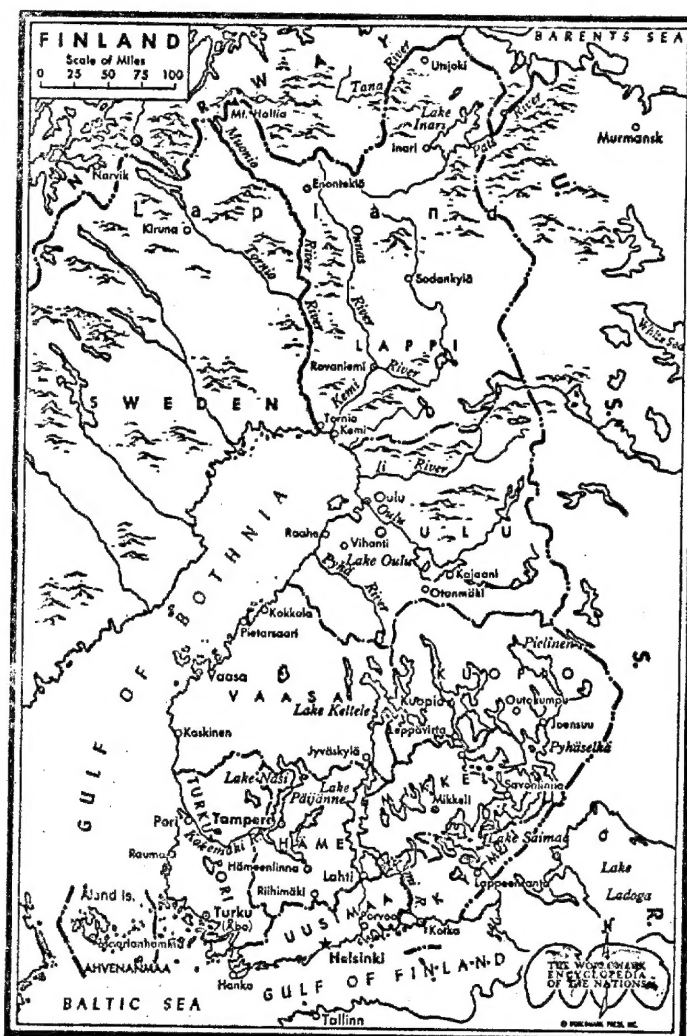
The Agrarian League (Maalaisliitto), a center party, was organized in 1906. While initially a small holders' party, it has won some support from middle and large landowners but virtually none from nonagricultural elements. Its program has centered on the protection of farming interests, and its post-war orientation is considerably to the left of its traditional stand.

The National Coalition party (Kansallinen Kokoomus) was established in 1918 as the successor to the conservative Old Finnish party. Its program, described as "conservative middle class," has traditionally emphasized the importance of private property, the established church, and the defense of the state.

The Swedish People's party (Svenska Folkpartiet), organized in 1906 as the successor to the Swedish party, has stressed its bourgeois orientation and the need for protecting the interests of the Swedish-speaking population.

The Finnish People's Democratic League (Suomen Kansan Demokraattinen Liitto) represents the extreme left. Emerging in 1945, the SKDL was a union of the Finnish Communist party (organized in 1918) and the Socialist Unity party (which left the coalition in 1955). Program calls for the establishment of a "people's democracy" in Finland on the Soviet pattern and the forging of close relations with the USSR and the Communist bloc.

The Finnish People's party (Suomen Kansan Puolue) was established in 1951 to continue the work of the National Progressive party. It is a center party, stressing a social-liberal approach to political and social issues, interest in moderate



social reform, and concern for the interests of salaried and professional classes.

### 14 LOCAL GOVERNMENT

There is an ancient and flourishing tradition of local self-government in the case of towns stretching back to the 14th century. The present law on local government was enacted in 1948. In 1960 the local government units were 41 towns or municipalities, 26 market towns or urban districts, and 482 rural districts. Each local government unit has a popularly chosen council, ranging from 13 to 77 members. Local elections are held every four years and being partisan in nature, they are unsalaried. Local administration is carried out under the supervision



of council committees. In towns and urban districts, as well as in a growing number of rural districts (73 at the end of 1956), major administrative responsibility is placed in a professional, full-time manager. The functions of local government include education, social welfare, utilities. There are varying kinds and degrees of central supervision, such as school inspection. For national administration, the country is divided into ten provinces (lääni). One of them, the Åland Islands, has long enjoyed special status, and a new statute effective 1 January 1952 enlarged the scope of its autonomy.

#### 15 JUDICIAL SYSTEM

The judicial system goes back in large measure to the Swedish period, portions of the law of 1734 still being in effect. There are three levels of courts: local, appellate, and supreme. There are 70 rural district courts of the first instance (kihlakunnanoikeus), each with a judge and a jury of seven to 12 lay persons. Some are divided into assize divisions, of which there are 185. There are 35 municipal courts of the first instance (reastuvanoikeus), staffed in each case by a burgomaster and two or more councilors; four appellate courts (hovioikeus): at Turku (established in 1623), Vaasa, Kuopio, and Helsinki. Each appellate court is headed by a president and is staffed by appellate councilors. Its work is handled divisionally. The final court of appeal, the Supreme Court (Korkeinoikeus) sits in Helsinki under a president and a number of judicial councilors. Judges are appointed by the president of the republic for life (with the exception of some local justices) and are independent of political control. There are a number of special tribunals as well as a supreme administrative court. The administration of justice is under the supervision of a chancellor of justice and an attorney-general.

#### 16 ARMED FORCES

The Paris peace treaty of 1947 restricted the scope of Finland's armed forces to "tasks of an internal character and the local defence of the frontiers," limiting the permissible strength to: army 34,400 men, navy 4,500 men and 10,000 tons, air force 60 planes and 3,000 men. Actual strength has been below these figures. Finland was also prohibited from possessing or constructing atomic weapons and guided missiles. There is compulsory military service for all males; conscript training (240 days generally, 330 days for officer candidates) begins in the 20th year and liability to service continues to age 60.

#### 17 MIGRATION

International migration during the years 1951-56 to Canada was 7,852, US 1,841, Australia and New Zealand 489, Asia and Africa 240, Sweden 18,247, USSR 23. During 1957 there were 5,222 emigrants (not including those going to Sweden and other Scandinavian countries), of whom 3,327 went to Canada, 469 to Australia and New Zealand, 425 to the US. During 1958 three out of five overseas emigrants went to Australia and New Zealand. Before the first world war there was extensive emigration to the US, a total of about 400,000. Immigration into Finland is negligible.

#### 18 INTERNATIONAL COOPERATION

Finland cooperates extensively with the Scandinavian countries. It is a member of the Nordic Council and of the Common Nordic Labor Market and belongs to the Scandinavian Patent Committee. Since 14 December 1955 Finland has been a member of the UN; it is also affiliated with many of the specialized agencies and is a signatory to GATT. Finland is also a member of the Bank for International Settlements, the European Forestry Commission, the International Cotton Advisory Committee, the International Council for the Exploration of the Sea, the International Relief Union, the International Wood Study Group, and other intergovernmental organizations.

#### 19 ECONOMY

From 1313 to 1867 Finland suffered an estimated 100 famine years, and bread made from pine bark was widely used. Perhaps this situation contributed to the words of the national anthem, "Our land is poor; true, we reply, for him who covets gold." Finland's present economic status can no longer be described in such terms. Although handicapped by relatively poor soil, severe northern climate, lack of coal and of most other mineral resources necessary for the development of heavy industry, the Finns have nonetheless been able to build a surprisingly productive and diversified economy that assure them a fairly substantial standard of living. This achievement was made possible by unrivaled supplies of forests (Finland's "green gold") and water power resources ("white gold") as well as by a disposition toward hard work, frugality, and ingenuity. Agriculture, long the traditional calling of the large majority of Finns, has been undergoing continuous improvement, with growing specialization in dairying and cattle-breeding. The industries engaged in producing timber, wood products, paper, and pulp are highly developed, and these commodities make up an overwhelming proportion of the country's exports. After World War II and partly in response to the demands of reparations payments, a metals industry has developed, its most important sectors being foundries and machine shops, shipyards, and engineering works. Dependent on foreign sources for a considerable portion of its raw materials, fuels, and machinery, and on foreign markets for the sale of its exports, the Finnish economy is very sensitive to changes at the international level. Inflation and unemployment are major problems.

#### 20 INCOME

The net domestic national product at market prices in 1957 amounted to 1,037.16 billion markkaa, compared to 361.96 billion in 1948. The index of the real national product (1938=100) has risen from 86 in 1940 to 164 in 1956. The percentage of the national product produced in 1938 and 1958 by the different sectors of the economy was:

	1938	1958
Agriculture, hunting, and fishing	20.3%	11.7%
Forestry	15.5	9.2
Industry and handicrafts	25.8	31.3
Construction and building	4.9	9.6
Transport and communication	5.6	7.9
Commerce, banking, and insurance	10.1	12.2
Public services	7.9	11.5
Other services	9.9	6.6
	100.0	100.0

Since the end of World War II both wages and prices have increased. The index of male industrial wages in 1956 was nearly 25 times the 1939 level, 13 times the 1948 level. The cost-of-living index in 1956 was 12 times the level of 1939. In 1957 a total of 2,053,217 income recipients divided a combined income of 568,446 million markkaa:

1 to 99 thousand markkaa	21.2%
100 to 199 thousand markkaa	23.4
200 to 399 thousand markkaa	34.4
400 to 599 thousand markkaa	14.4
600 to 799 thousand markkaa	3.7
800 to 1,199 thousand markkaa	1.9
1,200 thousand markkaa and above	1.0
	100.0

#### 21 LABOR

In proportion to the total population the labor force of Finland is large. The 1956 labor force was 27.6% of all males 14 years of age or older and 52.4% of all females gainfully

employed, a total of 1,984,282. The average age of retirement is high; in 1950 nearly 57% of the men and 20% of the women aged 65 and above were still gainfully employed. The percentage of the labor force in the various sectors of the economy as of 1950 was: agriculture 39.3%, forestry 5.9%, mining 0.3%, manufacturing and handicrafts 21.2%, construction 6.2%, commerce 8.1%, transport and communication 5.4%, services 11.4%, and others 2.2%. Owing to a large number of births immediately after the last war, a 10% increase in the labor force was expected between 1950 and 1960, and a 14% increase between 1960 and 1970, or approximately 500,000 new workers. The problem of expanding employment opportunities in order to avoid both large-scale emigration and unemployment is being studied.

The two major trade union federations are the Confederation of Finnish Trade Unions (Suomen Ammattiyhdistysten Keskusliitto or SAK) having 37 affiliated trade unions with a combined membership of 238,680, and the Confederation of Salaried Employees (Toimihenkilö ja Virkamiesjärjestöjen Keskusliitto or TVK, formerly the HTK), having 26 affiliated unions representing 106,730 members early in 1958. In addition there is the STTK (Suomen Teknillisten Toimihenkilöjärjestöjen Keskusliitto), representing five groups of managerial and supervisory employees. Since 1957 the SAK has been a member of the ICFTU.

The Finnish Employers' Confederation (Suomen Työnantajain Keskusliitto or STK) consists of 28 affiliated trade associations representing 2,100 employer groups. Working closely with the STK are the Confederation of Commercial Employers and the Confederation of Agricultural Employers. The STK is a member of the CFIE.

Labor relations are generally regulated by collective agreements, usually of a year's duration. Disputes over their terms are heard by a labor court. While mediation of labor disputes is provided for by law, work stoppages have occurred. A serious general strike took place during 1-19 March 1956, idling 500,000 workers. Workers' protective legislation is extensive, the first laws stemming back to the last century. There are both public and private labor exchanges. The unemployment situation was worse in 1958 than in any previous postwar year; in March, there were 78,100 registered unemployed or 2.6% of the total population, a majority of whom were, however, placed in various work projects sponsored by central and local authorities.

## 22 AGRICULTURE

Finnish farming is characterized by the relatively small proportion of arable land under cultivation (only about 8% is agricultural land) and by the large proportion in forest land; farming is everywhere set within the frame of the forest. In 1950, 15.5 million hectares were used as follows: garden plots 0.1%, cultivated land 15.6%, meadows 1.4%, cleared pasture 0.4%, forest land 69.6%, roads 1.0%, and fallow land 11.9%. Small-sized farms were created by a series of land reforms beginning with the Lex Kallio of 1922 and continuing through the Land Expropriation Act of 1945. In 1950 out of a total of 465,655 holdings, 203,905 were under 2 hectares; 187,834 were between 2 and 10 hectares; 62,478 were between 10 and 25 hectares; 11,215 were between 25 and 100 hectares; and 223 were more than 100 hectares.

Finnish agriculture also is marked by the predominance of fodder production (hay, oats, and other crops whose ensilage value has been greatly improved by the AIV method—after A.I. Virtanen), the excess of milk production over domestic needs (resulting in a surplus of 1,000 million kg. in 1957), and the deficiency in cereals (a prewar self-sufficiency of 90%

has dropped to about 40%). The principal agricultural products in 1957 (in million kg.):

	CEREALS	MILK	BACON	EGGS
Production	291.9	3,153	64.3	35.0
Imports	407.5	—	0.1	—
Exports	—	631	0.6	4.6
Consumption	699.4	2,522	63.8	30.4

The significant increase in milk production has been largely due to government price supports and export subsidies (amounting to 12,500 million markkaa in 1957), increased use of fertilizers, and progressive rationalization of the dairy industry. During the crop year 1955/56 milk made up 60% of the total value of all agricultural production. Because of growing consumer preference for margarine (in Finland the consumption of butter fell from 16.1 kg. per capita in 1955 to 12.6 kg. in 1957, while in the same period the per capita consumption of margarine rose from 5.8 kg. to 8.1 kg.) and of foreign market (chiefly the UK) uncertainties, there has been extensive discussion of the readjustment of agricultural production. Among measures advocated have been the increase of cereal production, a decrease in the production of fodder and in the imports of foreign concentrated fodder, and a strengthening of butter's competitive position.

Use of agricultural machinery increases. The number of tractors increased from 14,452 in 1950 to about 55,000 at the end of 1958. By 1958 approximately 80% of the farms had electricity.

## 23 ANIMAL HUSBANDRY

Considerable progress has been made in cattle breeding, chiefly Ayrshires. The number of cows has remained fairly constant during the last decade, 1,138,260 in 1957. About 90% of the country's more than 400 dairy plants are cooperatively organized, with an average of 532.7 suppliers per plant.

In recent years the numbers of horses and sheep have declined while chickens have increased significantly. In 1957 there were 275,346 horses, 1,844,744 cattle, 534,249 pigs, 457,460 sheep, 6,308,444 poultry, and 18,448 beehives.

## 24 FISHING

Fishing is an important source of food. In 1953 a total of 219,700 persons took part in fishing, but only 3,900 as full-time professional fishermen. The total catch was 60,171 tons; 42,532 tons from the sea, 17,639 tons from inland waters. The most important species, in tonnage, were: Baltic herring 30,885 tons; perch, 4,882 tons; northern pike, 4,347 tons; coregonus albula, 4,049 tons; bream, 3,534 tons; whitefish, 2,813 tons; sprat, 1,784 tons; pike-perch, 1,590 tons. Eleven vessels engaged in Icelandic herring fishing during 1951, bringing in a catch of 1.5 million kg. The monetary value of fish caught in the sea in 1957 was 2,956 million markkaa, inland lakes 2,460 million markkaa.

## 25 FORESTRY

In 1951-53 Finland had 21.8 million hectares of forest land (71.7% of total land area), of which 17.3 million hectares were productive woodland. The most important varieties were: pine 43.7%, spruce 35.7%, and birch 18.3%. As of 1 January 1957 62.3% of the productive woodland was privately owned, 28.3% owned by the state, 7.4% by companies, the rest by communes and religious bodies. The growing stock (including bark) amounted to 1,491 million cubic meters. The annual growth (excluding bark) was 46 million cubic meters. The total timber felled for sale in the 1957 cutting season (chiefly spruce pulpwood, softwood logs, pine pulpwood, fuel wood, and pitprops) was 10,400,000 m<sup>3</sup>. The annual increment has exceeded the annual removal.

There has been ever-widening acceptance of modern forestry practices. A significant role is played by both public and private foresters as well as by national forestry legislation.

## 26 MINING

In 1953 there were 252 firms engaged in mining and quarrying, employing 8,411 workers. Mining has shown significant advances during recent decades owing to increased operations at the state-owned Outokumpu copper mine and the opening of new mines elsewhere. Outokumpu, with reserves put at 20 million tons of 4% ore, increased its production from 399,200 tons of raw ore in 1939 to 1,387,668 tons in 1957 and its production of copper from 13,455 tons to 25,827 tons in the same period. Copper production in Finland is double the domestic consumption. Most important new mines are the zinc mine at Vihanti (402,870 tons of raw ore in 1957), the state-owned titanium iron ore mine at Otanmäki (209,783 metric tons of iron concentrate in 1957), and a nickel mine at Leppävirta expected to compensate partially for the loss of the Petsamo mines. Total ore mined in Finland rose from 450,000 tons in 1939 to 2 million tons in 1956. The production of ore concentrates and metals in 1957 included: copper concentrates 122,200 tons; pyrites 292,300 tons; zinc concentrates 80,800 tons; lead concentrates 4,500 tons; iron concentrates 209,800 tons; ilmenite concentrates 105,700 tons; electro-copper 25,800 tons; gold 494 kg., silver 11,620 kg.

Finland is self-sufficient in cement, lime, and various crushed and ground limestone products. Limestone production in 1957 was approximately 2.3 million tons.

## 27 ENERGY AND POWER

The total energy requirements of Finland in 1957 were the equivalent of 13.7 million tons of coal, of which 22.7% was produced by water power, 39.8% by domestic fuels, 18.7% by imported solid fuels (coal and coke imports in 1957 were 3,059 million kg.), and 18.8% by imported liquid fuels (petroleum imports in 1957 were 56.2 million kg.). The total consumption of energy during the period 1928-55 increased approximately 1.75 times; it is estimated that energy requirements by 1970 will be double the 1955 figure. The increase in the demand for electrical energy has averaged about 13% per year; it will probably continue to grow at the rate of 8% after 1960. The 1957 consumption of electrical energy was 7,090 million kwh. The demand for electricity continues to exceed output despite continuous construction since the war (especially in northern Finland) of hydropower and thermal power plants. During the last five years new construction has made available an average annual increase of 440 million kwh, compared to the average annual growth in demand of 570 million kwh. The estimated energy potential of Finland's water resources has been placed at 18,000 million kwh per year, of which 7,030 million kwh per year was being utilized in 1957. Studies of the country's future power requirements indicate the need not only for fuller utilization of these hydroelectric resources but even greater use of thermal generation in normal water situations and larger imports of fossil fuel than in the past. The possibilities of atomic power are being explored.

## 28 INDUSTRY

Since the end of World War II industrial progress has been noteworthy. Contributing factors include: forced stimulus of reparations payments, larger quantities of power, increased mining operations, growing mechanization of agriculture and forestry, development of transportation and communication. In 1956 there were a total of 7,265 industrial (including mining) establishments, which employed 318,569 wage earners and 55,498 salaried staff. Output with a gross value of 834,760 million markkaa. The most

important industrial regions center around Helsinki, Tampere, Turku, Lappeenranta, Lahti, Jyväskylä, and the valleys of the Kymi and Kokemäki rivers. In 1956 privately owned joint stock companies accounted for 78% of the gross value of production and employed nearly 75% of the industrial labor force. The ten largest industries were:

INDUSTRY	FIRMS	WORKERS	GROSS VALUE OF OUTPUT (MILLION MARKKAA)
Foodstuffs	1,542	30,133	193,005.8
Paper	202	28,215	130,884.5
Electricity and gas	462	9,891	62,838.9
Wood products	754	30,177	51,034.9
Textiles	340	36,731	50,804.1
Footwear and clothing	573	30,251	42,017.8
Transport equipment	482	27,419	41,477.6
Machine	328	24,906	39,371.2
Chemical	198	8,851	37,188.0
Metals basic	66	6,242	35,783.6

Industrial (handicraft) establishments, each employing less than five workers, numbered 19,079 in 1952 with a total labor force of approximately 30,000.

The most important industrial exports include wood products, pulp and paper, ships, paper-making and other kinds of machinery, electrical apparatus, and cables. The index of industrial production for 1957 stood at 115 (1954=100); in 1958 it fell about 5%. Productivity per working hour rose from 84 in 1945 (1938=100) to 170 in 1958. The rise in industrial productivity is one of the most important explanations for the fact that Finland managed to pay off war reparations and pass through a period of enormous reconstruction without inflation or other unbalancing factors.

## 29 DOMESTIC TRADE

Domestic trade is carried on through the customary wholesale and retail channels; in 1953, 3,045 establishments engaged in wholesale trade, employing 33,479 persons. Their 1952 sales were 478,248 million markkaa. They may be divided into organizations affiliated with the Finnish Wholesalers Association; the Kesko wholesale company controlled by rural retailers; the cooperative wholesales SOK and OTK; producer cooperative wholesales such as Valio and Hankkija; and specialized wholesales such as the Teknillisen Tuonnin Keskusliitto, an association of importers.

Of 33,352 retail establishments in 1953, 18,505 were privately owned, 4,622 by joint stock companies, and 8,755 by cooperatives. Sales at retail were 391,696 million markkaa in 1952. Cooperatives play a prominent role in the distributive field.

Office hours are generally from 9 a.m. to 4 p.m.; government offices are open from 8:30 a.m. to 4 p.m. (3 p.m. in summer). Stores and shops are open from 8:30 or 9 a.m. to 5 p.m., Monday through Saturday, but some stores close at 1 p.m. on Saturday.

Most of the trade fairs in Helsinki are arranged by Suomen Messut, an organization especially established for that purpose. The 22 general and 21 specialized fairs held under its auspices from 1920 to 1957 drew about 3.6 million spectators. Since 1952 Suomen Messut has been responsible for the official Finnish trade displays abroad.

There is steady acceptance of modern advertising techniques, including three-color advertising in newspapers. Erva-Latvala is one of the most important advertising agencies. Advertising associations include the Finnish Sales and Advertising Association (Suomen Myynti- ja Mainosyhdistys), the Council of Advertising Agencies (Mainostoimistojen Liitto), and the Advertising Managers Association (Mainoshoitajain Yhdistys).

Finland's foreign trade is characterized by the following: (1) the



dominant role of forest products in the export trade; 77.6% of the total value of exports in 1958 was derived from round and hewn timber, wood industry products, and paper industry products; (2) an increase in the export of metal industry goods, which in 1958 made up 13.7% of the value of exports; (3) a considerable export of butter and cheese (about 4% of the total value of exports in 1958), made possible by large-scale state subsidies; (4) extensive imports of raw materials (51.3% of the total value of imports in 1958), fuels and lubricants (14.0%), and finished consumption and investment goods (34.7%); (5) a changed geographical distribution of foreign trade compared to the prewar pattern, marked by increased trade with the USSR and declining trade with Germany and the UK.

During 1958 the value of imports amounted to 233,132 million markkaa, exports 247,866 million markkaa. Despite the devaluation of the markkaa in September 1957, the volume of exports in 1958 fell 3% from the 1957 level, imports by 11%. The conditions of foreign trade have been greatly liberalized in recent years, and at present trade and payments restrictions in Finland are at approximately the same level as in the Scandinavian countries.

Principal exports in 1958 (by value, in millions of markkaa) were:

Paper industry products	115.2
Wood industry products	57.8
Metal and engineering industry products	34.0
Round and hewn timber	19.3
Agricultural products	10.7
Other items	10.9
<b>TOTAL</b>	<b>247.9</b>

Principal imports in 1958 (by value, in millions of markkaa) were:

Raw materials and accessories	119.5
Finished producer goods	48.6
Fuels and lubricants	32.7
Finished consumer goods	32.3
<b>TOTAL</b>	<b>233.1</b>

Principal trade partners in 1958 (by value, in millions of markkaa) were:

	EXPORTS	IMPORTS	BALANCE
UK	54,811	40,124	14,687
USSR	42,780	41,937	843
West Germany	26,946	38,607	-11,661
Sweden	8,925	19,285	-10,360
France	15,328	10,885	4,443
US	11,471	12,478	-1,007
Netherlands	10,924	9,973	951
Belgium-Luxembourg	9,001	6,561	2,440
Brazil	5,922	8,586	-2,664
Poland	6,563	7,276	-713
Denmark	7,420	5,501	1,919
Other countries	47,775	31,919	15,856
<b>TOTALS</b>	<b>247,866</b>	<b>233,132</b>	<b>14,734</b>

### 31 BALANCE OF PAYMENTS

Finland's terms of trade since 1950 have been as follows (a surplus of exports +, a surplus of imports -):

1950	- 7,669 million markkaa
1951	- 10,440
1952	- 25,357

1953	+ 9,695
1954	+ 4,481
1955	+ 4,299
1956	- 25,571
1957	- 15,542
1958	+ 14,734

The balance of payments during the period 1953-57 in billion markkaa was:

YEAR	RECEIPTS	PAYMENTS	BALANCE
1953	157.3	145.1	+12.2
1954	184.8	172.0	+12.8
1955	217.1	202.5	+14.6
1956	218.9	231.9	-13.0
1957	260.4	262.2	-1.8

A surplus on transportation has generally contributed to a favorable balance of payments. On 31 January 1959 the total foreign exchange reserve stood at 60.3 billion markkaa, a figure higher than at any corresponding period since the end of the war, yet modest in comparison to other countries. It was held in the following categories (in billion markkaa): gold 7.8; convertible currencies and transferable OEEC 36.0; nontransferable OEEC 5.7; Eastern bloc currencies 10.3; other currencies 0.5.

### 32 BANKING

The central or government bank is the Bank of Finland (Suomen Pankki), established in 1811, with headquarters in Helsinki and 12 branch offices. Possessing extensive autonomy though subject to parliamentary supervision, and endowed with extensive monetary and fiscal powers, the bank's affairs are administered by a five-man board of management appointed by the president of the republic. It has an exclusive monopoly over the issuance of notes and has negotiated virtually all foreign credits reloaned to Finnish borrowers (since 1956 through an affiliate, the Mortgage Bank of Finland). The bank's total assets as of 31 January 1959 were 117,699 million markkaa, of which 7,850 million were in gold and 54,414 million in foreign exchange.

Other banking and credit institutions at the end of 1957 included: six commercial banks with 553 branch offices (reduced by merger to five banks and 537 offices on 1 October 1958), and assets of 212,123 million markkaa; 411 savings banks with 2.6 million deposit accounts totaling 118,650 million markkaa, and assets of 134,709 million markkaa; 9 mortgage banks with assets of 16,834 markkaa; 563 cooperative credit societies with assets of 90,085 million markkaa; a central bank for cooperative credit societies with assets of 26,448 million markkaa; a post office savings bank with 2,093 branches and assets of 65,571 million markkaa.

In 1955 the total amount of credit made available was 460,919 million markkaa, of which the Bank of Finland provided 3.6%, the Institute of National Pensions 11.8%, commercial banks 34.6%, mortgage banks 1.6%, post office savings bank 5.2%, savings banks 20.7%, cooperative credit societies 13.4%, and insurance companies 9.1%.

The Bank of Finland discount rate has ranged from 6.5% to 8%, and in October 1958 was reduced to 7.25%. The average interest rates of lending institutions on 31 December 1957 were as follows:

	DEPOSITS	LOANS
Commercial banks	4.51%	7.95%
Savings banks	5.32	7.96
Post office savings bank	5.42	8.16
Cooperative credit societies	5.55	8.10



During 1958 and early 1959 interest rates fell. At the end of 1958 approximately 20% of all deposits were tied to the index, at the rate of 50%.

Currency in circulation rose from 27.9 million markkaa at the end of 1948 to 69.1 million markkaa at the end of 1958.

### 33 INSURANCE

Insurance is highly developed and diversified. In 1956 there were ten companies engaged in life insurance (the oldest begun in 1874) with total assets of 34,892 million markkaa. Over two million policies were in force; premiums amounted to 6,679 million markkaa and claims paid 6,836 million markkaa. Fifty-five firms were engaged in other than life insurance, with assets of 39,412 million markkaa; premiums paid during 1956 were 19,197 million markkaa, claims paid 14,742 million markkaa. There were 252 sickness benefit societies with 138,213 members; 48 funeral aid societies with 56,695 members; 39 pensions societies with 44,624 members.

In 1956, 269 local fire insurance associations were in operation with premium collections of 557 million markkaa and claims paid, 337 million markkaa; 94 local livestock insurance associations with premium collections of 25 million markkaa and claims paid 16.8 million markkaa. Workmen's compensation and automobile third party insurance are compulsory. Other forms of insurance include forest fire, glass, burglary, rain, water damage, maritime, fidelity guarantee and credit, fishing tackle.

### 34 SECURITIES

There is an exchange at Helsinki (established in 1912) authorized to deal in stocks. It has a board of governors: six chosen by the Helsinki chamber of trade, three by the banking association, and three by members of the exchange. Five of the 45 firms represented in the exchange in 1957 were banks. In 1957 the total sales in the exchange amounted to 2,332 million markkaa, of which 1,777.5 million represented industrial shares (chiefly of such companies as the Kymmene, Finska Gummi, Pargas, and Wärtsilä), 370.4 million markkaa bank shares, and 42.1 million markkaa insurance shares. The general share index in 1957 stood at 430 (1948=100).

### 35 PUBLIC FINANCE

Budget estimates are prepared by the Ministry of Finance and submitted to parliament. They are referred to the finance committee and subsequently reported back to the legislature. Supplementary budgets are usual.

State revenues and expenditures for 1957 in thousands of markkaa were as follows:

REVENUES	
Taxation	219,951,116
Public services	3,719,616
Interest and dividends	17,573,294
Miscellaneous	31,351,530
State enterprises	2,112,832
Revenue proper	274,708,388
Capital revenue	20,180,787
<b>TOTAL</b>	<b>294,889,175</b>

EXPENDITURES	
President of the republic	38,334
Parliament	514,041
Government and chancellor of justice	133,329
Government chancellery	37,415
Ministry for foreign affairs	840,654
Ministry of interior	17,890,569
Ministry of justice	1,100,000
Ministry of finance	3,649,893
Ministry of defense	11,900,975

Ministry of education	27,587,071
Ministry of agriculture	15,795,968
Ministry of communications and public works	10,706,471
Ministry of trade and industry	4,956,040
Ministry for social affairs	45,764,118
Miscellaneous	40,763,121
Pensions and relief payments	6,807,633
Interest on public debt	7,020,432
State enterprises and forests	1,860,400
Expenditures proper	198,667,016
Capital expenditures	101,936,346
<b>TOTAL</b>	<b>300,603,362</b>

Finland's public debt (in billions of markkaa) is summarized below:

	DEC. 1955	DEC. 1956	DEC. 1957	DEC. 1958
Internal debt	55.7	66.6	69.9	68.3
Ordinary loans	43.0	50.7	52.9	61.5
Indemnity bonds, etc.	6.8	7.1	7.4	7.3
Short-term credit	—	—	—	1.2
Cash debt (net)	5.9	8.8	9.6	1.7
External debt	61.3	61.5	81.8	79.0
<b>TOTAL DEBT</b>	<b>117.0</b>	<b>128.1</b>	<b>151.7</b>	<b>147.3</b>
(in millions of dollars)	506.3	554.5	472.7	459.8

By September 1959 the total debt had risen to 162.1 billion markkaa (\$506.2 million).

### 36 TAXATION

During 1957 the state revenue from taxation amounted to 219,951 million markkaa, of which

	(1,000 MARKKAA)
Direct taxes	72,580,601
Customs duties	41,631,735
Excise duties	19,460,708
Stamp duties	10,432,685
Purchase tax	68,723,983
Automobile and motorcycle tax	871,404
Export levies	6,250,000

Of the direct tax revenue, 98% came from income and property taxes. Taxpayers in 1955 in the various taxed income groups were as follows:

TAXED INCOME	NUMBER OF TAXPAYERS
120,000— 299,999 markkaa	394,986
300,000— 499,999	331,489
500,000— 799,999	106,849
800,000—1,499,999	33,305
1,500,000—3,999,999	8,829
4,000,000 and more	915

In the communes during 1957 the tax per 100 markkaa of income was as follows: all communes 11.24 markkaa; towns 11.98; market towns 11.45; rural districts 10.30. The taxed income was (in 100,000 markkaa): all communes 5,762,392; towns 2,801,385; market towns 540,659; rural districts 2,420,348.

### 37 CUSTOMS AND DUTIES

In 1957 the customs department reported a total revenue of 43,122 million markkaa, of which 42,418 million markkaa were derived from import duties, 4 million markkaa from export duties, the rest from miscellaneous fees and fines. The percentage of state revenue obtained from customs was 19.9%; in 1938 it had been 48.1%. Duties, both specific and ad valorem, have since 1938 been levied at rates 15 times the prewar levels. Beginning in 1956 there has taken place a progressive liberalization of trade condi-

tions, including duties. In the fall of 1958 the free list represented about 82% of the total imports on private account from the principal West European countries. There is as yet no free port but there are free warehouse facilities in Helsinki, Turku, and Hanko.

### <sup>38</sup> FOREIGN INVESTMENTS

For a number of years only the state and the Bank of Finland were able to negotiate long-term loans abroad, although in some cases individual firms obtained credits on a state guarantee. Private loans without such guarantee were few, almost exclusively for purchase of ships. Since 1958 these loans have become more frequent and medium-term import credits were made available by different countries. The most important postwar public credits include an UNNRA loan of \$3 million, an Export-Import Bank loan of 4,500 million markkaa, and seven loans from the IBRD totaling \$102 million. Private import credits were negotiated in West Germany chiefly, also in the Netherlands, Sweden, Switzerland, UK, and US. During 1958 private credits obtained from different countries totaled 4,400 million markkaa. The interest payments on all foreign loans in 1958 amounted to 3,900 million markkaa. Finland's long-term liabilities (in millions of markkaa) on 31 December 1958, were:

UK	500
Other EPU countries	43,800
USSR	6,400
US	34,300
South America	1,700
IBRD	13,400
<b>TOTAL</b>	<b>100,100</b>

### <sup>39</sup> ECONOMIC POLICY

Problems arising from the war—reparations, loss of resources in the ceded territories, compensation to the evacuated and displaced population, and reconstruction—have dictated the main lines of Finnish economic policy.

Reparations were originally fixed at \$300 million (1938 price level), payable in six years. They were subsequently scaled down to \$226.5 million payable in eight years. The value of goods delivered was very much higher in current prices; one carefully worked-out estimate put the total indemnity bill at \$949 million at 1944 prices (reparations plus impositions laid down in the Paris Peace Treaty and Potsdam Conference). The reparations payments amounted to 6.4% of the total net product in 1945, declining to about 2.1% in 1951. During the first year 78% of all exports were reparations goods; the reparations payments of the first six years were the equivalent of 340,000 freight carloads of goods. Finland's success in meeting these heavy obligations was due mainly to four factors: (1) the rapid development of industry and of productivity per worker; (2) a favorable export situation for forest products; (3) foreign capital investments and loans; (4) remission of most of the penalty payments on reparations.

Extensive governmental control of the economy was inevitable, over supplies, prices, wages, rents, foreign trade, and foreign exchange. A crucial role was played by the Bank of Finland, which was charged with maintaining the value of the markka against serious inflationary pressures, safeguarding foreign exchange, creating employment, and stimulating industrial expansion. Many of the controls have now been abandoned, although not completely in reference to trade with the dollar area and the Eastern bloc. Some growth in government-owned enterprises and public establishments owned entirely or largely by the state. Their

assets amounted to 177,965 million markkaa, and their earnings in 1957 reached 15,214 million markkaa.

Finland has participated in the work of the Nordic Economic Collaboration Committee, and views the proposed Nordic Common Market with cautious optimism.

### <sup>40</sup> HEALTH

Public health and medical personnel in 1957 included 2,558 physicians (one per 1,710 population), 1,562 public health nurses, 1,664 midwives, 7,030 nurses, 2,567 nurses' aides, 2,751 mental hospital nurses, 1,657 dentists, 316 dental technicians, and 520 dispensing chemists.

In 1956 there were 360 civilian hospitals (225 general, 37 mental, 27 maternity, 28 tuberculosis, 43 epidemic diseases), with a total of 34,586 beds (or eight per 1,000 inhabitants). An overwhelming majority (324) were publicly owned.

In 1958 the death rate was 8.9, the infant mortality rate 23.7 per thousand. Respiratory illnesses are common, but otherwise the health standard is high. Public health laws, notably the uniform Public Health Act passed during the war, establish standards followed by the provincial and local authorities.

### <sup>41</sup> SOCIAL WELFARE

In recent decades the social services have been greatly expanded and diversified. Total social service expenditures during 1956 were 91,181 million markkaa, of which approximately 48% was met by the central government, 23% by local governments, 24% by employers, and 5% by the beneficiaries. Total social welfare expenditures in 1955 amounted to 10.8% of the net national income. The major social service areas are: (1) care of the aged, disabled, and needy, (2) care of war victims: widows, orphans, invalids, displaced persons; (3) maternal and child care: allowances for mothers, children, and families, loans for establishing homes, vacations for mothers, housekeeping assistance, free school lunches; and (4) care of alcoholics and vagrants.

Each local governmental unit is required to establish and maintain a social welfare board under the supervision of the national Ministry for Social Affairs. There are also private welfare organizations, some of which (like the Mannerheim Child Welfare League) have won widespread recognition.

The Ministry for Social Affairs is also responsible for such matters as health insurance, workers' protective legislation, unemployment insurance, labor exchanges, and pensions. A new national pensions law enacted on 23 May 1956 widened the coverage and increased the benefits. Expenditures under the new law, which went into effect in 1957, are approximately three times those under the 1937 law.

### <sup>42</sup> HOUSING

The end of World War II found Finland facing a critical housing shortage. Some 112,000 dwellings were lost in the ceded territories, and homes had to be found for the displaced persons; 14,000 dwellings were severely damaged during the war; and only a modest amount of new housing was built from 1939 to 1944. To deal with this situation, it was necessary to divert large investments into construction. During postwar years as much as 13% of the gross national product was devoted to building, compared to a prewar rate of around 9%. As high as 65% of the total investments was in this field. Government participation, chiefly in making large-scale credit available on reasonable terms, was inevitable. Among other laws, the Land Acquisition Act and the Arava Law stimulated building. During 1949-55 a total of 68,000 dwellings were built under the provisions of the first law. During 1949-56, 48,900 million markkaa in Arava funds were loaned, and about half of the building in 1957 (with a total of 105,827 rooms), nearly 54%

were built by private individuals, 34% by housing or real estate companies, 6% by communes. Overcrowded conditions persist, especially in larger towns.

#### 43 EDUCATION

Illiteracy is virtually nonexistent (0.2%). As long ago as the 17th century, church law required everyone to be able to read. Compulsory school attendance dates from 1921, at present between the ages of seven and 16. A new public school law came into force on 1 August 1958, replacing earlier statutes of 1921, 1923, 1926. The law provides for a regular primary schools of six years, followed by a so-called citizen's school of two years, whose curriculum includes vocational and technical subjects. The administration of the elementary schools is vested in local school boards, subject to national supervision. Tuition is free, as are books and school supplies, one hot meal a day, medical and dental check-ups. In 1957 there were 6,608 elementary schools, with 25,212 teachers and 622,331 pupils. The schools receive financial grants from the central government, which in 1957 amounted to 18,761.7 million markkaa.

Postelementary students may continue their education either at secondary vocational schools (520 in 1957, with 4,689 teachers and 45,322 pupils) or at secondary schools (422, with 8,168 teachers and 161,881 students) and subsequently at institutions of higher learning. One third of the schools are state owned, two thirds either by municipalities or privately. All receive grants from the central government (amounting to 5,958.9 million markkaa in 1957), tuition costs are modest, and considerable scholarship aid is available.

Higher education falls into three categories: (1) universities and institutions of university status; (2) people's high schools or colleges; (3) workers' academies. Entrance to the universities is through annual matriculation examinations. There were 14 universities and institutions of university rank in 1957 (including four teachers' colleges), with a total of 1,881 teachers and 18,086 students. Among the best known are the University of Helsinki (founded 1640), with 9,877 students in 1957; the Finnish University at Turku (founded 1922), with 1,801 students; the Institute of Technology, with 2,258 students; the Helsinki School of Economics, with 1,212 students. In addition, there are 12 training schools for primary teachers and two for kindergarten teachers.

People's high schools (which numbered 83 in 1957, with 820 full-time and part-time teachers and 6,344 students) and workers' academies (91 with 149 full-time teachers and 58,380 participants) are evidence of the widespread interest in popular or adult education. These ventures also receive state subsidies under certain conditions.

There are other educational institutions such as the Sibelius Academy and the Drama School of the National Theater.

#### 44 LIBRARIES AND MUSEUMS

Finns are a book-reading people (over 2,000 titles published annually), and libraries play a significant role. In 1957 there were 553 central public libraries and 3,272 branch and institutional libraries. Their total holdings reached nearly five million volumes; approximately 11 million books were borrowed during 1956. State subsidies cover about half of the actual operating costs of libraries, and in 1956 they amounted to 77 million markkaa.

There are 17 scientific and university libraries, the most important being the Library of Parliament, the University of Helsinki Library (its Slavic division is world famed), the Library of the Finnish Literary Society (unrivaled folklore collections), and the University of Turku Library (its Finnish literature collection is magnificent).

The museum movement has grown rapidly since the war, and

there are more than 300, representing a wide range of interests. Among the better known are: the outdoor museums at Seura-saari (Helsinki) and Turku; the Mannerheim, National, and municipal museums and the Athenaeum art gallery in Helsinki; the Turku castle and cathedral; the Runeberg museum at Porvoo.

#### 45 ORGANIZATIONS

The right to organize is guaranteed by the constitution, and organizations have come to play a central role in all areas of Finnish life. As is well known, the cooperative movement is highly developed. In 1956 there were approximately 5,700 local cooperative associations in diverse fields (food stores, creameries, credit societies, meat packing, egg sales, forest products, machinery, peat moss, sawmill, electricity, telephone, housing, bull breeding), with a combined membership of nearly two million persons and annual sales of 313 billion markkaa. The major cooperative wholesales or central organizations in 1957 were:

CENTRAL ORGANIZATION	NUMBER OF AFFILIATED COOPERATIVES	SALES (in million markkaa)	CAPITAL
SOK (wholesale)	370	55,471.2	3,150.7
OTK (wholesale)	119	49,270.7	4,172.6
Hankkija (wholesale agriculture)	563	19,317.2	777.6
Valio (year 1956/57) (butter exports)	327	36,454.5	1,057.5
Tuottajain Lihakeskuskunta (meat producers)	13	3,398.9	137.6
Karjakunta (meat producers)	169	5,710.2	253.5
Muna (egg export)	116	921.1	20.4
Metsäliitto (1956/57) (private forest owners)	—	4,118.0	510.6
Osuuskassojen Keskus (a credit society)	563	22,772.3 (loans)	2,100.0
Labor (agriculture)	89	2,612.0	177.2
Emigheten (butter and cheese export)	39	2,628.3	61.1

The cooperatives, found both in rural and urban areas, have developed extensive educational and informational programs; there is a lively cooperative press and many training schools. In this field of activity such organizations as the Pellervo Society for the rural cooperative movement and the KK (Kulutusosuuskuntien Keskusliitto) play important initiating and coordinating roles.

Occupational and trade associations are numerous. In agriculture the most influential include the Federation of Agricultural Producers (Maataloustuottajain Keskusliitto), the Federation of Small Farmers (Pienviljelijäin Keskusliitto) and the Federation of Agricultural Societies (Maatalousseurojen Keskusliitto). In industry and commerce are the Finnish Industrial Federation (Suomen Teollisuusliitto), Federation of Handicrafts and Small Industry (Käsi ja Pienteollisuus Keskusliitto), Federation of Private Enterprisers (Yksityisyrittäjien Liitto), and the Finnish Foreign Trade Association (Suomen Ulkomaankauppaliitto). There is a Helsinki chamber of commerce and a Central Chamber of Commerce of Finland (Suomen Keskusauppakamari).

Most influential cultural and philanthropic organizations include the Finnish Academy, the Finnish Cultural Fund (Suomen Kulttuurirahasto), and the Wihuri Foundation. At the level of international cooperation are such organizations as the Norden societies and the League for the United Nations (Kansalaisjärjestöjen YK-liitto).

Freedom of press is guaranteed by the constitution, and there is no peacetime censorship. In 1957 there were 194 newspapers

in Finland, of which 170 were Finnish, 22 Swedish, and 2 bilingual. They were published: four to seven times a week, 65; two to three times a week, 54; once a week, 75. There were also 1,480 periodicals, of which 1,113 were Finnish, 197 Swedish, 131 bilingual, and 39 other languages.

The 20 largest newspapers and their circulation in 1959 were as follows:

NEWSPAPER	PLACE OF PUBLICATION	ORIENTATION	NET DAILY CIRCULATION EXCEPT SUNDAY
Helsingin Sanomat	Helsinki	Independent	248,400
Uusi Suomi	Helsinki	National Coalition	91,100
Aamulehti	Tampere	National Coalition	83,000
Hufvudstadsbladet	Helsinki	Independent	68,200
Turun Sanomat	Turku	Finnish People's	68,100
Ilta-Sanomat	Helsinki	Independent	57,300
Savon Sanomat	Kuopio	Agrarian League	53,800
Kansan Uutiset	Helsinki	Communist	46,400
Vaasa	Vaasa	National Coalition	46,100
Keskisuomalainen	Jyväskylä	Agrarian League	45,400
Suomen Sosialidemokraatti	Helsinki	Social Democratic	42,800
Satakunnan Kansa	Pori	National Coalition	39,100
Karjalainen	Joensuu	National Coalition	32,700
Kaleva	Oulu	Independent	32,200
Etälä-Suomen Sanomat	Lahti	Independent	31,100
Ilkka	Vaasa	Agrarian League	25,700
Etela-Saimaa	Lappeenranta	Agrarian League	21,700
Vasabladet	Vaasa	Swedish People's	19,200
Maakansa	Helsinki	Agrarian League	19,100
Kansan Tahto	Oulu	Communist	18,300

The semiofficial news agency is the STT (Suomen Tietotoimisto).

#### 47 TOURISM

Scandinavian nationals require no passports, and visa requirements have been dropped for those from some 20 countries. A common Nordic passport system went into operation on 1 May 1958, by which all foreigners may travel unhindered within the common passport union. Alien residence in Finland beyond three months requires a special permit.

During 1957, 251,724 foreign passengers arrived in the country, of whom 70,168 came by sea, 44,392 by air, and 137,164 by land. The largest numbers of tourists came from Sweden (169,678), Germany (15,530), Norway (15,227), US (9,165), the UK (8,105), USSR (7,431), and Denmark (6,189).

#### 48 FAMOUS FINNS

Great Finnish literary figures include Elias Lönnrot (1802-84), compiler of the national epic, the *Kalevala*; Johan Ludwig Runeberg (1804-77), the most important of the 19th century Finnish-Swedish writers, known for his *Elk Hunters* and *Songs of Ensigt Stål*; Aleksis Kivi (1834-72), the founder of modern Finnish-language literature, author of *The Seven Brothers*; Juhani Aho (1861-1921), master of Finnish prose; Eino Leino (1878-1926), perhaps the greatest lyrical poet to write in Finnish; and Frans Eemil Sillanpää (b. 1888), a Nobel prize winner (1939), known to English-language audiences through his *Meek Heritage* and *The Maid Silja*. Popular with US fiction readers is Mika Toimii Waltari (b.1908). Edward Alexander Westermarck (1862-1939) was a noted anthropologist.

Major political figures of the 19th century were Johan Vilhelm Snellman (1806-81) and Georg Zachris Yrjö-Koskinen (1830-1903). Inseparably linked with the history of independent Finland is Marshal Carl Gustaf Emil von Mannerheim (1867-1951). Two of Finland's architects are well known abroad: Eliel Saarinen (1873-1959) and Alvaro Aalto (1886-1986).

(b.1899). A leading sculptor is Wäinö Woldemar Aaltonen (b. 1894). Finnish music has been dominated by the name of Johan (Jean) Julius Christian Sibelius (1865-1957). Three representative painters are Albert Edelfelt (1854-1905), Axel Gallen-Kallela (1865-1931), and Pekka Halonen (1865-1933). Artturi Ilmari Virtanen (b.1895) won a Nobel prize in chemistry in 1945. An outstanding athlete was Paavo Johannes Nurmi (b.1897).

#### 49 DEPENDENCIES

Finland has no territories or colonies.

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In History Of Moscow Khrushchev is pictured as the man who produced the general plan for the reconstruction of Moscow, and as the man who guided and directed the architects in rebuilding and modernizing the city.

In the voluminous Universal History, published by the USSR Academy of Science, we read quotations from Khrushchev speeches which indicate his ability to prognosticate future developments of the world.

In 1961 publications of the CPSU under the title International Relations And Foreign Policy Of The USSR, Khrushchev is quoted and described as the angel of peace, leader of nations, and outstanding pacifist. On the subject of Khrushchev's visit to the 15th session of UN we read as follows: "Despite the fact that Khrushchev's presence in New York coincided with the presidential campaign his presence in the USA became the center of political life in America, relegating the election campaign to the second place." (Page 575.)

Similar quotations and expressions can be found in a special edition of 2 volumes, devoted to the Khrushchev trips to India, Burma, Indonesia and Afganistan, launched as party academic publications in 1961 under the title The Awakening East.

#### AS A UNIVERSAL GENIUS WITH UNDERSTANDING AND INITIATIVE IN CULTURE, LITERATURE, SOCIOLOGY AND SCIENCE:

In the CPSU's publication "Communist", (No. 12 for 1957) there was an article by Khrushchev under the title "For the Closer Union of Literature and Art With Life of the Nation". This article has been reprinted and quoted in many other Soviet publications, -- in magazines, newspapers and in separate pamphlets. His pronouncements on the subject became the bible and the guide for all those who tried to carry out and enforce the "party line". In the third volume of The History Of Soviet Literature (1961 publication of the USSR Academy of Science) there is a statement which says: "N.S. Khrushchev demonstrated to all of us the real meaning of and the implications of what constitutes 'the genuine and the conscious creative freedom' ". In the magazine "New World" for September 1961, in an editorial entitled "The Greatest Document of our Epoch", Khrushchev's pronouncements are identified as "the guiding rule for all Soviet people in their daily life and actions".

#### AS A FATHER OF HIS PEOPLE AND A BENEFACTOR OF HUMANITY STRIVING FOR THE PEACE OF THE WORLD.

In a popular book by P. Lopatin, Khrushchev is described as a man who has opened wide horizons for the family of the Soviet peoples, and as the man who, in promoting technical accomplishments, has contributed enormously to the material as well as the spiritual treasures of Soviet people. In

Literaturnaya Gazeta of September 16, 1961, in the article under the title "Son of the People" we read: "Every word pronounced by Nikita Sergeevich is imbued with the deepest respect for the work of those who create everything valuable on this earth. The people are reciprocating to him with their deepest love and affection. You can depend on our Nikita". And so on and so forth in same vein. Stories about the Khrushchev's fatherly benevolence to the masses are producing hundreds if not thousands of articles; quotations and references appear in all publications, and all official speeches refer to him or to his pronouncements in this vein.

The personality cult of Stalin is dead. But the personality cult of Khrushchev is second to none and all indications are that it will reach, if not surpass, that created around Stalin.

The cult of personality remains, -- it is a built-in, inevitable and essential part of the communist authoritarian system -- only the main character changes.

(End)

## The Creation of An Image

Authoritarian communism is dependent upon the existence of an idealized leader to justify its authority. If there is no uniquely endowed individual, the Party creates one. The public image of Stalin was the result of a well developed campaign in which all of the characteristics of a charismatic leader were attributed to him. That image has now been destroyed almost single handedly by the man who is replacing him as the infallible, wise and good leader of the people. All protests of the Soviets and their puppet leaders to the contrary, their explanations that "individuals represent collective leadership and the essence of communist society" and that there is no "cult of personality" around any communist leader, do not coincide with the facts. Some techniques used by the communists to create a cult of personality, in this instance around the figure of Nikita Khrushchev, are noted briefly in the passages below.

### AS A LEADER OF THE PARTY AND THE GOVERNMENT AND A HERO OF THE CIVIL WAR:

The History Of Moscow, publication of the USSR Academy of Science. Khrushchev is not mentioned in the first five volumes, but the sixth volume omits the name of Stalin entirely while mentioning Khrushchev nine times.

The History Of The Civil War In The USSR, publication of CPSU, Moscow. The first three volumes, published under Stalin, contain only one casual mention of Khrushchev. The fifth volume, published in 1959 and 1960, however, is heavily interspersed with quotations from Khrushchev's speeches, arranged to impress the reader with his importance as a national hero of the civil war -- despite the well known fact that the highest position occupied by Khrushchev during this period was as a student at the Party school of the Ninth Soviet Army. This fact does not prevent the official Soviet historians from including N. S. Khrushchev in the category of the "party leaders, collaborators and disciples of V. I. Lenin who organized the victory of the Great Revolution". (Page 314 - History Of The Communist Party Of The USSR 1959).

### AS A PARTY PHILOSOPHER AND THEORETICIAN:

Up to 1957 nothing was recorded on the subject. In 1958, however, in an article in the USSR Academy of Science's periodical "Questions of Philosophy" (No. 11, pages 35-39) A. V. Shcheglov and A. D. Shershunov quote Khrushchev as though he were an outstanding theoretician and sociologist.

In 1959 the praise of Khrushchev as a theoretician becomes more pronounced and we read -- "The principles of Marxism-Leninism received theoretical development and elaboration in the report by N. S. Khrushchev to the 21st Party Congress... The problems of the building of the new stages in the development of communism in USSR received creative and imaginative treatment in the report of the N. S. Khrushchev to the 21st Party Congress". (History Of The Communist Party Of The USSR, 1959, page 724.)

In 1961 the stature of Khrushchev as a theoretician and philosopher looms still larger and academician M. Mitin in his article "Communism and State", published in Pravda, 23 September 1961, omits any passage from Marx or Lenin while quoting Khrushchev as an authority on the subject. In tribute to Khrushchev the philosopher and thinker, his speeches are being published in millions of copies and, at the present time, complete works by Khrushchev are appearing in Moscow on expensive paper and with expensive bindings. The circulation is 100,000 sets. Besides this, the following publications are already in circulation: Peace Without The Armaments - Peace Without The Wars (2 volumes, Moscow 1960, 952-pages); For Peace, Disarmament And Freedom Of Nation (Moscow 1960, 336 pages); The Foreign Policy Of The USSR (2 volumes, Moscow 1961, 1287 pages); The Controlling Figures In The Development In The National Economy (Moscow 1959, 143 pages, 2 million copies.)

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"It's tied up with so many other factors -- this development of the Eastern European countries. Its development partly resulted from the last war, and partly conditioned by fear of future wars. See what happened in Hungary -- terrible thing that happened in Hungary. And yet I think that probably the reason for that was the fear that it was going to lead to a World War. Just at that time a different invasion by the French and the British was taking place. And it looked almost as though it was going to burst into a World War. If so, the Russians -- the Soviets were going to take no chances in Hungary joining the enemy. You see, it's their instinct of self-preservation--. They behaved in a brutal manner in Hungary.

STEVENSON: "Non-alignment, Mr. Prime Minister, is -- serves a useful purpose in the United Nations. It spurs negotiations between the aligned countries. It has the effect of sustaining pressure on them in peaceful directions. It serves many -- it's been a guide to public opinion around the world -- serves very many useful purposes. But when non-alignment leans one way or the other -- one way more than the other -- it does have the effect of provoking extremism. And it also has the effect of encouraging the Soviet Union to more extreme adventures, and this in turn would lead to the same in this country, and also to loss of confidence in the United Nations.

"I think this problem is something that you have to deal with all the time. We have felt, with respect to your delegation, that frequently we don't share the common views on political issues in the United Nations, but we do respect your non-alignment. And in other issues, in the field of colonialism, in the field of executive action by the United Nations, in the Congo, in the Middle East, and so on that you've just mentioned, here we find common ground, and I should like very much to take this occasion while you are here with me this morning to express the gratitude of my government for the service that India has rendered in the effort to unify the Congo, and in many other cases, to establish a United Nations presence, to use this instrumentality more effectively to preserve peace in the world. I think it's been a very useful service and I'm very grateful to you, sir."

NEHRU: "Non-alignment is a basic policy, but in its application to particular circumstances or resolutions, that is a matter of judgment. Non-alignment... the background that governs our thinking, but then (in regard?) to resolutions, it's not as if because we are non-aligned we must agree or not agree to something -- that requires an independent judgment as to which is likely to lead (to the object we've aimed at?). We do avoid, generally speaking, we may not succeed always -- we try to avoid mere condemnations which often make it difficult to bring the differing groups together.

"But in regard to particular things, we should express our opinion clearly in regard to achieving results. It is not a result in our opinion merely to damn somebody. That may be necessary sometimes --"

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"Obviously, the fact that the Soviet Union resumed nuclear tests was a very bad thing, bad from every point of view, its results, and in its breach of a covenant -- voluntary covenant, no doubt -- still it was bad -- bad in itself -- it was a bad example if followed by others, and it vitiated the atmosphere of coming together. All that was very bad.

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Excerpts from a TV exchange, recorded at the US UN Headquarters at New York on 12 November 1961 and broadcast by WABC-TV the following day.  
Participants: Adlai Stevenson and Jawaharlal Nehru of India.

NEHRU: "Broadly, non-alignment means not tying yourself up with blocs of nations -- nations or relations -- that is, trying to view things as far as possible not from the military point of view, though that has to come in sometimes, and trying to view matters independently, and trying to maintain friendly relations with all countries."

STEVENSON: "That's one thing I haven't been able to understand lately. Here we've seen refugees shot in cold blood under the barbed wire in Berlin, we've seen the double-dealing of the Soviet Union in respect to nuclear testing, and now the detonation of an enormous bomb with the consequence, and many others, dire consequences for the human race, and yet I don't see that this stirs up the kind of indignation among the non-aligned people that one would suspect, that one would anticipate."

NEHRU: "You're right, Governor, to some extent. I think that you'll find almost everyone deploring this, but you're right that the degree of indignation may be lesser elsewhere than in the United States. That depends on how it affects them personally. Now suppose there is a nuclear test in Africa. The African nations would be wild. Not that the thing is the same whether it's in Africa or Europe or somewhere else, but it's near their door -- they personally are affected by it, and they'll shout."

"You can only explain that by past conditioning of all these countries. At the Belgrade Conference, we had a majority of African countries, newly independent, who are full of their own problems, and the rest of the world doesn't seem to exist for them except vaguely as an imperialist-colonialist world, against which they are fighting to free themselves. You see, on that background, which they've grown into, they react accordingly. Of course if you put it to them that this is very bad -- they did say so at Belgrade -- is very bad and should not have been done and so on, but, having said so, they reverted to their own problems."

STEVENSON: "Haven't we in the United States shared the attitude of India -- your attitude about colonialism and about what you mentioned was such a concern at Belgrade -- and also about self-determination, and I believe we share your views that this should be the objective of -- for all peoples everywhere -- but we think it should be for peoples everywhere, and not just North and South but also East and West. And that this great wave of independence that has swept the world and freed a billion people and created 42 new nations, I think, since the war, hasn't reached some of the other regions of the world -- I speak specifically of Eastern Europe, where governments have been imposed on the people by force of arms and are maintained in that manner."

"Isn't it -- wouldn't it be true that if colonialism and non-colonialism and self-determination applies to Africa, that it should also apply to Eastern Europe, and give those people an equal opportunity for self-determination?"

NEHRU: "Yes, that would be an ideal thing, but there is a difference in the type obviously. There is the old-style colonial type in Africa or Asia, and this is not that type at all. It is not colonialism; it is a domination of a certain group or party, aided by outside (interference?) from another country. Now I dislike the second thing also but it is different. It's -- those elements that run to form of other colonialisms do not apply here, and -- but it may be, of course, and sometimes is, that the second type is even worse from the human point of view than the other."

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"There's no question of putting it in the same category as any other -- the U.S. government started its tests underground -- (WORDS UNCLEAR) -- but then the thing is about the future -- for us to say, well, the Russians have had a go, therefore it's only right that the Americans should have time to go ahead doing the same thing to equalize -- that creates difficulties.

"The Russians are completely wrong, no doubt, but when we think a thing is evil -- that is, nuclear tests -- we have to say at every stage "no more. It isn't a question of equalizing, although Russia may have possibly, I don't know, gained an advantage by some tests -- I can't say.

"That becomes a political, technical question, a military question, call it what you like, in which we are not in a position to judge. But in this particular matter, obviously, it was Russia that took the steps that we consider very wrong."

STEVENSON: "Well, I'm very glad to hear you say the other day that you were -- that you believed the solution of this matter was in the execution of a treaty providing for control and inspection of nuclear weapons, and the sooner the better."

NEHRU: "You see, the alternatives are so terrible to contemplate. The reality facing the world today, if there's a nuclear war, is so (amazing ?) in its consequences that you can scarcely (write ?) it, and I'm quite sure nobody wants it in the world. But certain basic, well, urges of an out-of-date mentality govern nations, and so they take step by step until it becomes a matter of national honor not to retire, not to submit to something, and then you have wars."

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**INTRODUCTION:** The "Europe" with which this Survey is concerned comprises eighteen countries: Finland, Sweden, Denmark, Norway, Iceland, the United Kingdom, the Netherlands, Belgium, Luxembourg, the German Federal Republic (together with the Saar and West Berlin), Austria, Switzerland, France, Spain, Portugal, Italy and Greece. This is not the geographer's Europe, which is usually defined as the area north of the Bosphorus and west of the Urals, thus including not only the European sliver of Turkey but Yugoslavia and the Soviet satellites of Eastern Europe as well as a considerable portion of the USSR itself. Nor is the designation "Western Europe" though widely accepted as a more precise description of the region under consideration, wholly satisfactory, for much of Eastern Europe is farther west than Greece or Finland. For want of a better term, however, "Western Europe" is used interchangeably with "Europe" in the present volume to designate the territory occupied by the eighteen countries named above.

This group of countries corresponds closely to the membership of the Organisation for European Economic Cooperation (and to the European membership of its successor, the Organisation for Economic Cooperation and Development), which, however, does not include Finland (and, until recently, did not include Spain) but does include Turkey, which lies almost wholly outside geographic Europe. The Soviet satellites have been excluded from the present Survey not on ideological grounds *per se*, but because their economic orientation is almost wholly towards the East rather than the West, while their centrally planned economies do not lend themselves to the type of analysis attempted in this Survey. This second consideration also prevents the inclusion of Yugoslavia. The territory covered by the present Survey thus includes the noncommunist Western-oriented countries of Europe, the economies of which are largely responsive to the free play of market forces rather than government fiat.

#### IMPORTANCE OF EUROPE

CPYRGHT

This western part of the geographer's Europe possesses an economic and cultural importance out of all proportion to its size. With only 3 percent of the world's land surface and 10 per cent of its population and no longer possessed of natural resources of great variety and abundance, the people of Western Europe create close to 25 percent of the world's national income, produce nearly 20 percent of the world's food supply, 30 percent of the steel and nearly as large a proportion of the coal and account for 40 percent of the foreign trade of the world.

This small area is thus one of the most prosperous and productive regions of the world, in economic importance second only to North America. Although per capita income and labor productivity in Western Europe are still less than half what they are in the United States and some of the British Dominions, they are far above the levels of the rest of the world. This prosperity has been achieved partly by skillful development of Europe's limited range of resources, but increasingly through exploitation of its own advanced technology in serving as a workshop for the free world. In performing this function, Western Europe has developed an elaborate network of foreign trade whereby it imports large quantities of raw materials, together with food and simple manufactured products, and pays for these by exporting a wide range of highly processed manufactures and supplying to other regions such services as shipping, insurance and banking. No other major region has come to depend so much on, and contribute so much through, the exchange of goods and services with the rest of the world.

Even greater has been Europe's cultural and ideological influence beyond its own borders. Through early exploration and colonization and later through massive emigration Europe transplanted to the Western Hemisphere, Australia, New Zealand and parts of Africa and Asia its religious faiths and political institutions, languages and literature, art and science. And it is primarily from the countries of Western, rather than Eastern, Europe that the New World has drawn its ideologies and ways of life. As the distinguished European scholar, M. J. Bonn, points out in *Whither Europe - Union or Partnership?* "Today Topeka, Kansas, or Toronto, Ontario, or even Cape Town breathe a far more European

(Continued)



## RECOVERY FROM THE WAR

The prosperity and economic strength of Western Europe today are in striking contrast to the situation fifteen years ago. After six years of the most devastating war in modern history ports, bridges, factories and homes in the most highly industrialized parts of Europe were damaged or destroyed; millions of people were homeless and many of them faced starvation; the economies of the belligerent countries were paralyzed by enemy occupation and currency inflation. The standard of living at the end of the war, though varying widely from one country to another, probably averaged no more than half the prewar level. Faced with the necessity of exporting in order to survive and of importing in order to export, the trading nations found themselves with a large part of their merchant fleets at the bottom of the sea and their foreign exchange reserves approaching exhaustion. On the whole the future after World War II, even more than after World War I, seemed to promise no more than a painfully slow and halting recovery, accompanied by a continuance of wartime economic controls and extensive nationalization of European industries.

Belying this grim prospect of stagnation, however, Western Europe's economies, with the benefit of Marshall Plan aid at the beginning, entered a period of vigorous growth without parallel since the last decades of the nineteenth century. Prompt restoration of war-damaged plants was followed by steady expansion and modernization of productive facilities, which have resulted in much more extensive and persistent gains in European productivity during the past decade than have been achieved in other parts of the free world. As a result, Western Europe's more than 300 million people today enjoy a standard of living far higher than ever before and at least a third above that of the smaller number who were living in the same territory before World War II.

## SOCIAL PROGRESS

This remarkable productive achievement has been accompanied by social and political developments of equally great significance. Although fears of widespread nationalization have proved to be without foundation, national governments have come to accept responsibility, far more than ever before, for the use of monetary and fiscal powers to promote full employment and economic growth and to protect the individual against economic hazards. Though its roots extend far into the past, the welfare state has come into full flower in Western Europe only in the postwar years. Full employment, higher real wages and such social provisions as family allowances and subsidized housing have greatly improved the economic position of those at the base of the income pyramid. Steeply progressive income taxes and sharp increases in the costs of domestic and other personal services have brought a radical alteration in the living standards of those at the upper income levels.

These changes, which have gone furthest in the northern industrial countries and are hardly yet substantial in the poorer countries of the south, are bringing profound changes in the social hierarchy and a transformation in the character of the market for consumer goods in Europe. The traditional class society and the class markets organized to supply necessities to the poor and luxury goods to the rich have not yet disappeared, but no observer can fail to note the emergence of a new attitude on the part of consumers and suppliers alike. What was formerly a class society characterized by wide differences in income and manner of living has become a much more democratic community with a much narrower range of spendable income. The trend towards income equalization means that for the first time the average family can contemplate the purchase of types of goods, such as washing machines, refrigerators, television sets and automobiles, that were previously out of reach. Manufacturers are responding to this new mass demand by developing mass production of standardized articles, as their American counterparts have been doing since the 1920s.

Politically as well as economically Western Europe has emerged stronger than before World War II. The threat of communism from within and without, which seemed so menacing immediately after the war, receded promptly as a

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 combination of public and private enterprise proved equal to the tasks of restoring full employment and expanding production. Government wartime controls were soon discarded, though in some countries at the price of considerable inflation. Functioning democratic government has been restored in most of the countries where it was abandoned during the interwar period or under enemy wartime occupation.

### ECONOMIC INTEGRATION

Foremost among postwar political developments are the attempts at closer economic - and in some cases political - integration. Hitherto for decades, and in many cases for centuries, the countries of Europe held tenaciously to their individual separate existences, their separate sovereign governments, their separate defense establishments and economic policies. But since the end of World War II the NATO member nations have surrendered much of their military autonomy to ensure a stronger common defense. In the OEEC (and its successor organization, the OECD) the nations of Western Europe have moved towards the voluntary coordination of economic policies. Belgium, Luxembourg and the Netherlands established Belux, a customs union which has been functioning for several years. The European Coal and Steel Community was formed in 1952 by the three Belux countries and Germany, France and Italy. The most impressive step towards economic, and perhaps eventual political, integration came with the establishment in 1958 of the European Economic Community (and at the same time the European Atomic Energy Community) by the same six countries. The transition period, which will lead to elimination of tariffs and trade restrictions between the six member countries and establishment of a common tariff on goods from the outside world, is already well under way and should be virtually complete before 1970. In 1959 the European Free Trade Association, which contemplates removal of trade restrictions on industrial goods between its members - the United Kingdom, Denmark, Norway, Sweden, Austria, Switzerland and Portugal, and with Finland as a probable associate member - was established with a view towards eventually serving as a means of promoting a wider base for European integration.

These are the first steps in the direction of "the unity of Western Europe," which Sir Oliver Franks has described as "the one great creative political idea that has emerged since the Second World War." He adds, "If the idea of one community, one society in Europe, is to have any validity, it must gradually clothe itself with economic meaning." (*Saturday Review*, January 16, 1960.) These initial efforts to integrate the national economies of Western Europe are beginning to give economic meaning to the idea of eventual European unity.

### SCOPE OF THIS VOLUME

This then is the new Europe with which this Survey is concerned, a Europe transforming itself in respect to social structure, economic achievement and political institutions. The present volume follows in general the pattern of the earlier survey of America's Needs and Resources, but the approach has been adapted to the special circumstances of a region comprising eighteen independent countries and a dozen or more different languages. After a brief review of the factors responsible for Europe's postwar recovery (in Chapter 1), this Survey attempts to measure and analyze Western Europe's "needs" and "resources" in their strictly economic connotations. Consumers' needs are defined not as what people ought to consume, in terms of their physiological, mental or spiritual requirements (if indeed these could ever be determined), but rather as what they choose to consume, as reflected in actual purchases of various kinds of goods and services and spending patterns at various income levels. The same approach has been followed in considering expenditures by governments and investment spending by individuals, governments and business enterprises.

The basic approach in measuring needs has been the gross national product, or gross national expenditure, and the components thereof (Chapter 4). This measures the market value of, or the amount paid for, the finished goods and services delivered annually to final users within the national economy. The needs of consumers have always been the largest component of gross product and the

major categories are considered in the present volume (in Chapters 5 through 12): food and drink, housing, household operations, transportation, education, health and social security. The last three are to a large extent services supplied to consumers through government channels and are thus paid for indirectly by consumers in the form of taxes and contributions. Government operations and services are analyzed in Chapter 13 and capital investment by government and by public and private enterprises and individuals in Chapter 14.

Resources have been considered first in terms of the human resources - population, manpower and education (Chapters 2, 3 and 10) - and then in terms of the physical or natural resources - land and agriculture, forest and ocean resources, energy and power sources and other minerals (Chapters 15 through 19). Inasmuch as Europe is becoming increasingly dependent on overseas sources for a large proportion of its industrial raw materials, resources are discussed in terms of foreign as well as domestic supplies. The discussion of foreign trade (Chapter 20) is obviously also relevant in this connection.

In several of the later chapters of the volume consideration is given to some of the important problems and opportunities that are influencing the development of the European economies. One of these (analyzed in Chapter 21) is the persistent inflation, which has affected in varying degrees the countries of Western Europe during the postwar period, and foreign exchange problems related to it. These issues will become of more critical importance as trade barriers are removed within the European regional groupings. Other problems (discussed in Chapter 22) arise from the disparity in economic development and living standards between the agrarian south and the more prosperous industrial countries of the center and north and the efforts to narrow this gap. Another problem, which has been receiving a great deal of attention in Europe since World War II, is the nature of European capitalism and how it can be made more competitive and effective. This is considered in Chapter 23, while Chapter 24 discusses recent gains in European labor productivity and the possibilities of further advances. An evaluation of present and forthcoming technological developments and their probable effects on the European economy is presented in Chapter 25. In Chapter 26 the movement towards European economic integration is analyzed, with special consideration given to the European Economic Community - a new power complex capable of dominating the European heartland. Finally, an attempt is made (in Chapters 27 and 28) to summarize briefly the entire volume and to present concluding observations.

#### METHOD OF APPROACH

It is apparent from the foregoing that this volume involves a topical treatment of economic developments and problems and a "European approach" rather than a country-by-country analysis. Many monographs and a number of excellent economic geographies have been published which follow the latter approach in describing the economic situation of the various individual countries. In the present volume the attempt has been made to discuss the needs and resources of the European people and the problems facing them, first, in terms of Western Europe as a whole and then in terms of the special characteristics and divergences of particular regions and of the individual countries. This approach, it is believed, will be followed more and more as European integration advances, since it has the advantage of revealing the elements common to the European scene, as well as the intercountry differences some of which may need to be resolved.

The descriptive and analytical parts of this Survey are focussed on measurement of past trends, especially developments since the end of World War II and in the 1950s, and interpretation of these changes in relation to the prospects of future growth of the European economy. In most countries war damage had been made good by 1950, and the ensuing decade has been one of unprecedented economic growth. The middle year of that decade, 1955, was a fairly representative year of full employment and peacetime expansion; it was moreover the latest year for which full information was available at the time work on the Survey began. For these reasons data have been presented for that year in considerably greater detail than for other postwar years, and 1955 has thus served as a "base year" from which future projections have been made.

Statistics for later years of the 1950 decade have of course been incorporated in the text to the extent that they were available at the time the manuscript was delivered to the printer. Full-scale research operations began with establishment of a Geneva office in the spring of 1957 and ended with the closing of that office in September 1959. This means that the manuscript, which began going to the printer before the end of that year, included annual data for the years 1956 and 1957 and in most cases also for 1958. During most of 1960, while the flow of manuscript and receipt and revision of galley proof was continuing, every effort was made to incorporate the latest annual statistical data then available and to take account of significant new developments in the region. This means that, where practicable, data for 1959 have been included, but even this has not been possible in all chapters, particularly some of those prepared by contributors who were not members of the staff.

In addition to describing past trends and current conditions, an important part of the task of this Survey has been to project the changes in population, employment, working hours, productivity, gross national product and its components and the increase in the output of the requirements for essential raw materials from the base year 1955 to the year 1970. This future year was selected as one sufficiently far ahead to bring significant developments into prominence yet not so far distant as to involve too many unknowns. In attempting to forecast the Europe of 1970 from the Europe of 1955, it has been assumed that 1970 would be a year of high-level activity and that the intervening period would be free from war (although the cold war would continue) and from major economic depressions or periods of violent inflation. Even under these "normal" conditions the future is always surrounded with uncertainty and no "projection" can pretend to be more than a fallible human judgment based on the best available evidence. It is with the full understanding of this truth that projections of future developments are presented in the present volume.

The Europe surveyed in this volume is revealed as a region undergoing a remarkable - and unexpected - renaissance. Whereas the shock of World War I ushered in two decades of economic stagnation and political defeatism, the shock of World War II became the inspiration for a resurgence of activity - political, economic and social - for a new leap forward such as twenty years ago few observers would have believed possible. In this dynamic situation the people of Western Europe have registered achievements but they have also encountered problems. Although they have recorded impressive economic gains, they have perceived the possibility of setting goals more ambitious than ever before in their history, and to attain these will require sustained effort not merely over a decade but for at least a generation.

Yet no one who has watched the course of events in Europe since 1945 and who has studied the manifold changes in the pattern of its society can doubt that its peoples have demonstrated a capacity to adapt themselves to the changing conditions of the contemporary scene, to seize the opportunities presented by modern technology and, once again, with new confidence to take their rightful place among the leading nations of the free world.



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 Resolution of  
 The Congress of the Socialist International on Berlin and the German Problem :

The Congress of the Socialist International (Rome - 23-27 October 1961) -

" Condemns as an act of savage brutality the erection of the Berlin wall which has sealed off 17 million German people and deprives them not only of their own freedom but also of their contact with the free part of Germany and with the rest of the non-Communist world. This action, which violates human rights, gives expression to the expansionist policies of the Soviet Government.

" The parties of the Socialist International declare their solidarity with the people of Berlin and their steadfast determination to ensure that this freedom is preserved. The division of Germany does not help the cause of peace: in fact, its continuation presents a constant source of danger in the heart of Europe. The rights of the German people to their national unity cannot be denied - yet this cannot and must not be achieved by violence.

" To stand firm against Communist pressures and provocations is not enough. A peaceful solution must be found by negotiation. A Western diplomatic initiative is required. A settlement must provide for free access to West Berlin by land and air, guaranteed and controlled by the Four Powers. The United Nations could be given responsibilities as an added guarantee of this freedom and the presence of agencies of the United Nations in Berlin might bring new life and hope to the city.

" A settlement requires that the facts be faced that the frontiers of Germany cannot be changed by force, and that the unity of Germany depends upon a relaxation of international tension. In the meantime, arrangements for technical cooperation between and with the administration of a divided Germany must be improved in the interests of the welfare of the people. The tension could be eased and the prospects of German unity improved by an agreement on controlled disarmament in Central Europe, including the prohibition of nuclear weapons under conditions which will not modify the military balance.

" The Socialist International reaffirms its firm belief in the inalienable right of every people to self-determination. It urges the powers responsible for the solution of the German problem, and all who are deeply concerned with it, to recognize as a basis of their practical policy this principle which is recognized in the Charter of the United Nations. The human rights which have been violated in Berlin can be reaffirmed, and the tensions in Europe relaxed and the danger of war removed only if the dignity and freedom of man are recognized as a basic law of international policy."

The conflict of HUMANISMS (6)The struggle for happiness.

By Adam Schaff

Przegląd Kulturalny No. 42, October 19, 1961

CPYRGHT Verbatim

What is happiness? This is a problem which is easy to solve from the point of view of the individual concerned, but it is very difficult to analyze it when one passes to the field of inter-subjective communication and general philosophical reflection. This is also a problem on which, to write from the scientific point of view, it is not only difficult but also dangerous. This problem, which is very interesting because of its central character for man, can easily lead a scientist astray due to its ambiguity and complexity. This is precisely why the definition of the point from which we intend to begin the analysis, and of the aspect which we shall be most concerned with in this analysis, is particularly important.

One of the possible divisions of the points of view on the problem of happiness is the following: the positive approach, i.e. the definition of the components of the subjective state of a happy individual, or the definition of the subjective state of possession is identified with happiness: and the negative approach, i.e. the consideration of the factors which disturb the happiness of the individual, and of the methods of overcoming them. These are interconnected approaches, but still very different. For to analyze the necessary conditions of a phenomenon is one thing, and to analyse its sufficient conditions is another thing. The removal of obstacles which make impossible for an individual to reach the state of happiness is a necessary condition, but it is insufficient for the individual to be really happy. For this depends on a number of other conditions connected with the individuality of the given person, with this physical and psychological state, with history and social conditions, etc. For the state of happiness is connected with the given individual living in given conditions. This is why that which constitutes the basis and cause of happiness of one person can be a source of just the opposite state for another person. How far will this be true when we take into consideration the time factor and the changeability of human requirements and attitudes accompanying the changes in social conditions?

When approaching the problem from its positive aspect, as an attempt at enumerating the factors which ensure a man concrete happiness, we are asking a question to which there is no answer. For whether we speak about the state of a happy individual, i.e. about his or her feelings, or whether we give a pseudo-objective form to this question and speak about the goods whose possession means happiness - we are dealing with a field which is so much saturated with the subjective element that any attempt at obtaining a generally valid answer is bound to fail. For it is not a paradox that certain people must be unhappy to feel happy. The roads of individual psychology are too complicated to be contained in a formula or a scheme. That is precisely why the consideration of the problem of the conditions which are necessary for a human individual to be happy does not exhaust the problem, and does not provide an answer either to the question: "what is happiness?" or to its transposition "when is a man happy?". Nevertheless, an analysis of the necessary conditions of human happiness is, in my opinion, more interesting and more productive (particularly in the aspect of social activity), than the apparently wider problem of sufficient conditions.

I do not want to say by this that the problem is not worth considering. If we are clearly aware of the amount of subjectivism in this problem, and thus avoid mystification resulting from badly constructed questions, an analysis of the problem of the necessary conditions for happiness might contribute to the knowledge of human personality and of the futility of the quest for "perfect happiness" for everyone. A negative answer is nevertheless an answer and the revelation of the futility of the quest is the result of research. Whereas this broader concept of happiness mostly gives negative results, the narrower one from the point of view of the necessary conditions mostly gives positive results. Primarily in the realm of human activities, in the realm of struggle for the happiness of people. It is for this reason that I consider this sphere of investigation to be more interesting and fruitful.

This sphere is one of investigation into social conditions for human happiness. Social in the two-fold sense of the word; first in the sense that happiness should not be considered in its aspect concerning a given individual, but in that concerning the masses of people, and second, in respect to the possibility of and necessity for social work aimed at assuring the chance, if not the certainty, of a happy life to the masses.

We shall now concentrate upon the problems of social conditions for human happiness. For the reason i.e. that - although theoretical - it is not abstract and reaches deeply into the practice of social life, into the sphere of action. The problem of happiness is exactly a typical problem, where the cool reserve of a theoretician is out of place and an attitude of active engagement should be taken. This is prompted by the character and the importance of the problem in life.

Reflections upon conditions for something usually begin with a definition of this something. Otherwise there is the danger of complications and misunderstandings emerging from the multitude of meanings of the terms used. This also concerns such a diversity of meaning as that implied by the idea of "happiness". Yet, I propose to sin against the prevailing custom for the following reasons: 1. This would inevitably lead us into a maze of complicated enquiries into the variety of meanings of the term: 2. our investigation would necessarily take on the character of historical research because of the dependence of the definition upon an accepted point of view. This is not my intention in this context, and is not the objective of our research. Thus we must renounce it (a definition), the more so since the current intuitive sense of the word "happiness" in one of its meanings or any text-book definition which speaks in one way or another about "happiness" being a state of intensive satisfaction with something, will meet our requirements. While taking into account the controversial character of every word here, and of all the possible additions to them (this corresponds closely to the statements formulated at the beginning of our study, that everyone knows when he is happy although it is very hard to say what this means), we may safely embark upon investigating the social conditions for human happiness and the activities connected with it, even relying upon such general and vague intuitive feeling as that inherent in the word "happiness".

Everybody is happy or unhappy in his own way. And yet despite subjectivism in the feeling of happiness and unhappiness, despite the variety of individual human postures, there is here too something in common with all people. For nobody is happy when he is deprived of something which he desires strongly in some walk of life. There are things which all people covet in common and which play an important role to all. Being deprived of them makes every normal individual (except pathological cases) unhappy. This sphere of negative denominations unites in the problem of happiness the views and feelings of all the people, a fact which does not belie the individual and subjective character of this problem. In this way we get hold of something stable and concrete in this nebulous affair, something which, thanks to its universal character, is more liable to evaluations and can more easily become the subject of the conscious activity of the people. And on this the significance and the importance of this sphere mainly rests.

A man suffering hunger and misery, a man who can not satisfy his material needs on a minimal level set by the historic stage of development of the given community, is not, and can not be, happy. There is a fascinating Chinese fairy tale about the emperor who was looking for the shirt of the happy man, and when finally he had found it, it appeared that he did not even have a shirt. This fable, although fascinating, is in its direct sense profoundly false and was composed by people who have a shirt on their backs for the consolation of those who are deprived of one. Hunger and misery certainly do not make one happy. On the contrary, being the cause of the profound and real unhappiness they drive people to revolt and struggle. This is a struggle for the right to happiness, for the removal of all obstacles on the road leading to happiness, even though the liquidation of hunger and misery itself does not of itself make people happy.

Hunger and misery are not the only socially wide-spread cause of the unhappiness of people. There is still lack of freedom, national oppression, economic exploitation, racial oppression and all other instances of inequality in social relations. In all these and other similar instances the point is to deprive the people of some objects or relations desirable by them. And although deprivation of freedom or of social equality is something different to the deprivation of the material goods necessary for living, nevertheless man feels this lack no less sharply and painfully. The struggle for the right of freedom is just as strong an incentive for rebellion as hunger and misery. This is also a struggle for the right to personal happiness, for here the indispensable condition of this state of the individual is involved, the condition which actually does not suffice to make the individual happy, but whose absence suffices to make him unhappy.

It is clear that the absence of other objects or relations too, may bring about a situation in which the individual feels unhappy. Unrequited love, for example, unsatisfied thirst for fame, for respect, etc. These phenomena are so common that we may treat them as a social phenomenon. There is however a definite difference between the phenomena of the first and second category. The difference is that in the first category obstacles to individual happiness are imposed by the existing social relations, whereas in the second category the obstacles are the outcome of the psychological properties of the individual in question, or the intimate relations with another individual (love for example). Hence in the first category social interference is possible, since the change in the erroneous social relationship - and it may be changed by social organised people - eliminates the source of suffering of the individual, while in the events of the second category society is unable to interfere. At any rate it cannot interfere directly (indirect interference is possible through the alteration in the social relations moulding the mentality of the individual, but this interference is usually unintentional and spontaneous). From the point of view of the conscious and collective action of people the first category is particularly interesting. And it is this which, under the various definitions and titles, in various shapes and formulations, has constituted for centuries the component part of progressive social movements, of which the quintessence is the struggle for the establishment of the best possible conditions for people's happiness. It may also be put differently: the struggle for the establishment of the conditions which contribute most to the development of human mentality. In this very sense, those who see the aim of their social activity in forging out the conditions of individual happiness, are humanists in the best meaning of the word. We acquire in this way an additional criterion for assessing the value of social movements and their programmes, the assessment of the various forms of humanism.

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All social movements speak about human happiness and include the struggle for it in their programmes. How could it be otherwise? How could they count on support from any quarter unless they did? It is also necessary to bear in mind that even typical anti-humanism, typical ideologies of genocide and hatred, like Hitlerism and all variations of colonialism and racialism, operate with cliches of the struggle for man's happiness. The Hitlerite "Urbemensch" and every racialist struggle for somebody's interests and some-body's right to happiness too, obviously, but the difference is whether everybody is considered to be human or not. For the sake of justice it should be added that modern anti-humanists have predecessors of long standing, from certain humanists of ancient times, who considered slaves as talking tools. This constitutes an element of the thesis about the historic, and in this sense, relative character of the assessment of the various forms of humanism.

This problem is all the more important and deserves all the more attention because the real moral conflict occurs in case of a clash of different concepts of humanism and the incidental concepts of an individual's happiness with the methods of struggle for winning them. In this field the main conflict of the contemporary era is connected with the clash of socialist humanism with the competitive varieties of humanism, which from the point of their philosophical context can be called idealistic and from the point of their social bearers - bourgeois.

It is a well known fact that at least two factors distinguish socialist humanism from the remaining varieties of humanism - which still exist or already belong to history.

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In the first place its concept of the individual, a product of society and established social relations, above all class relations. As distinct from the trends, in which the pattern of an individual is either the free will or the heterogenous will of a higher being in the relations towards the community, social relations created by man, which at the time create a man in the sense of a social unit, are the pattern of socialist humanism. In this field, the latter represents the main contradiction between materialism and idealism. Again the starting point of any kind of humanism, as well as any further considerations of human affairs, depends on the philosophic character of the concept of a unit. The latter includes also the consideration of an individual's happiness largely because humanism is as much a theory of the human individual as well as the theory of his happiness. Both the manner of understanding this happiness and the manner of its realization are accordingly closely connected with the method of understanding a human individual.

In the second place, and in this context this is most important - socialist humanism which links up in a peculiar way with practical problems of militant humanism which sees its task and goal above all in the struggle for ideal and their realization. The latter also fully applies to the problem of an individual's happiness.

Humanism is the essence of scientific socialism, while the essence of this humanism is its concept of an individual's happiness. In Marxism everything is subordinated - philosophy, political economy, the social and political concept. After all, these are theoretical instruments which serve one practical purpose: the struggle for a better and happier life of the people. Such was the understanding of young Marx who argued that revolutionary philosophy represents an ideological weapon of the proletariat. Such also is the sense of the Marxist thesis on the ties of theory with practice. For this reason the theory of happiness appears in Marxism in a particular form: not as an abstract reflection of the concept of happiness or its components, but as a revolutionary idea of such a transformation of social relations which will make possible the creation of the best conditions for a happy life, and which will remove obstacles hindering the establishment of such a life for the people. Marxist socialism presents the problem of an individual's happiness from the negative side, which implies that it investigates the obstacles standing in the path of a happier life for the people, as well as the means to remove these obstacles. It is precisely this kind of concept which yields the most positive and real results.

In many countries of the world people starve and live in misery. As is known, two thirds of mankind suffer hunger permanently. Marxist socialism shows a concrete path of social changes which may remove this state of affairs and create conditions for a better life of men. There is no preaching or insipid moralising of satiated persons. The hungry and the miserable hear in these words an announcement of happiness and sense fully the profound humanism of the idea so beautifully expressed by Marx's friend, Heinrich Heine, in his Winter Tale:

But a new song, a more worthy song,  
I promise to sing, brothers.  
We want to create a paradise on Earth,  
The land of milk and honey.

We want to live happily on the Earth,  
And not to rot in perpetual misery.  
May not the lazy stomach waste  
What diligent hands have created.

Here bread grows copiously,  
There will be enough for everyone,  
Enough of laughter, and beauty, myrtle and roses,  
And no less sweat-peas.

Let the pods crack and there will be plenty  
Of peas for those who like it.  
And the heaven we will leave to -  
Angels and sparrows.

Marxist socialism approaches similarly the problem of national suppression, religious persecution, racial persecution, discrimination against women, economic exploitation etc. It shows to people the path of liberation from a situation which weighs heavily on them and makes them unhappy in one way or the other. Marxism not only states that it is possible to live a different, better and happier life, but also teaches how this should be done, mobilises and organises people for the struggle against that which obstructs their happiness. It does not offer illusions of another world, consolations with cheap moralising, but tells them to struggle and gives them the certainty of victory in this struggle. It is a political theory in which a theory of morality, humanism and happiness is also contained. Is there therefore any wonder that it appeals to those who suffer and long for a better, happier life? No wonder that everywhere in the world, those to whom the words of the International: "Condemned peoples of the Earth rise, rise those who suffer hunger ..." are addressed, respond to them?

This is a specific theory of happiness. It is in fact a theory of social conditions for individual happiness starting from the premise that no one may guarantee full happiness for an individual, because this also depends on the individual himself, but that it is possible and necessary to create conditions for the happiness of all. On these conditions, the social conditions of happiness, Marxist socialism concentrates. The active character of humanism contained in it, its attractiveness to those who suffer and dream of personal happiness, are connected with it. Its successes in the conflict between the various forms of humanism, characteristic of our era, are also connected with it.



There are authors with famous names who consider that the end of the age of ideology has come now. It is difficult to argue with them since in view of the enormous ambiguousness of the word "ideology", no one knows very well what they are really talking about. There are over twenty different, sometimes very remote, meanings of "ideology". Thus, does this sense mean what Destutt de Tracy meant who once introduced it together with the name itself, or the meaning pejoratively used by Napoleon, or that which Marx and Engels used and after them only with certain modifications Lenin and Stalin, or Mannheim's sense of the word, "ideology" referring to Marxism; and perhaps some different sense, one of many now circulating? This ambiguousness has played a trick on many a man. And if the above mentioned authors understand the word "ideology" as it is used in the phrases "feudal ideology", "bourgeois ideology" or "proletarian ideology" thus they understand the word "ideology" as a system of ideas and views of the social life peculiar for a given social class in given historical conditions, their diagnosis is certainly erroneous. The end of the age of ideology (in the most popular sense of the word used) not only has not come but on the contrary - we are only entering the period of its true flowering. Simply because ideology will gradually become an ever more powerful and effective weapon in the struggle of the two main competing political-social systems which most generally may be called capitalism and socialism.

The peaceful co-existence of these two social-political systems is a real situation which need not be invented. From the moment of the formation of the first socialist States alongside the capitalist States, from the moment of the abandonment of war as means of the settlement of conflicts and differences of views between them - peaceful co-existence has become a fact though some people do not like this word even today. The atmosphere of co-existence changes, depending upon the situation, but as long as war does not break out - co-existence is a fact.

It does not follow, of course, that conflicts and divergencies of interest between the system of capitalist states and the system of socialist states are disappearing, that the competition between these systems and the peculiar struggle are vanishing. They cannot vanish so long as these states maintain their differences in systems, for should these differences vanish it would entail the collapse of one of the two opposed systems in the present world. Precisely on this account the claims of certain western politicians, against such co-existence which involves ideological differences and conflicts on this background, are based either on verbal misunderstanding or on utopian inclinations, very detrimental to political life.

Ideological differences are differences of outlooks on the ideals of social life, on its proper structure and mechanism. Let us leave aside the question of the genesis of these differences and of their social background, which would necessarily bring a Marxist to loggerheads with a Thomist, an existentialist or a follower of another, non-Marxist philosophy. Both the Thomist, the existentialist, the Marxist, and others have nevertheless to agree, if in the vapors of their philosophizing they do not forsake common sense, that the partisans of the private ownership of the means of production (with all the consequences resulting from it for the organization of social life), and the partisans of the social ownership of the means of production, accept different systems of values and hence different models of procedure. These are precisely the ideological differences in the specific meaning of the word.

In international relations today the question is not that the principle of coexistence should be transformed in to a utopian program for removing ideological differences which cannot be removed, but on the elimination of the danger of the extermination of the population in the event of an armed conflict. The ideological differences will have to remain, and on them the main attention will be focused: in step with the removal of the danger of an armed conflict, it is precisely in the sphere of ideology that a competitive struggle between both systems will develop more and more. This is not only unavoidable, but also correct. For it should be admitted that the two competing camps, or in any case the parties and the groups guiding their life, are convinced about the superiority of the system of values and of the models of procedure represented by them. If it will not be possible to compel people by force to accept one of them, and this probably is the most advantageous situation for mankind, it will become necessary to convince them of the superiority of this or that system. For peaceful coexistence does not foresee the stability of the world nor a division into spheres of influences in accordance with traditional diplomacy. Should

the "high negotiating sides" even desire this (in which case they would act unreasonably), life would delete these erroneous calculations. If armed force does not intervene, people will wish to choose a way of life which in their understanding is the best and will do this regardless of anybody's desires. Thus peaceful coexistence does not guarantee the status quo, the stability of the established social order. In admitting ideological differences, it also foresees a growing competitive struggle for the minds and hearts of the people to whom both systems will appeal. By what means? By means of facts, which on the basis of the principle "verba docent exempla trahunt", are the strongest weapon in this peaceful competitive struggle of different systems and by means of the ideology connected with these facts. Thus we are returning in a natural way to our main problem - to the social conditions of the happiness of the individual.

In the last instance, the ideological differences which were previously referred to, the differences of views and attitudes of people toward the problems of social life, can be boiled down to differences of views on social conditions for the happiness of the individual and on the methods of producing such conditions.

This is the essence of the controversy among people concerning the principle of private or social ownership of the means of production, of a national or international attitude in relations between nations and states etc. etc. Regardless of formulas and arguments, the final question is how a better life is to be lived, and what conditions are necessary to give people the best chance of a happy life. The theory of happiness once again descends from the heights of abstraction to the hard ground of social life.

The competitive struggle under conditions of peaceful coexistence will therefore proceed mostly in the realm of ideology, appealing to the convictions and views of people on the matter of happiness in life, or, at least, on conditions favouring such a life. Thus, this struggle is bound to acquire the character of a collision of various kinds of humanism with increasing intensity.

It has already been said that even barbaric anti-humanism, tries to speak to people in our era in the language of the theory of happiness. This is undoubtedly a sign of the times ("Signum temporis"). However, the collision of various kinds of authentic humanism is really an interesting phenomenon.

As is known, contemporary humanistic tendencies have a different origin and different character in respect to their substance and social background. Apart from the general watchword of a full flowering of human personality, which is common to all varieties of humanism, the differences here are enormous. Let us only compare the materialistic and activist attitude of socialism humanism, with the creational and contemplative humanism of Christianity, or with the subjective and at the same time activist humanism of the existentialists.

A different starting point, socially and philosophically, of particular concepts of humanism plays a decisive role in the manner of solving the problem of conditions for human happiness, in their attitude of optimism or pessimism (as in the case of socialist and existentialist humanism respectively), in the struggling or contemplative-preaching attitude (as in the case of socialist and Christian humanism).

Since, however, in our era, as stated previously, these problems descend from the clouds of philosophical abstractionism to the hard ground of social life and social struggle of men, the practical concept (of happiness) from the point of view of the requirements and choices of people who desire a better, happier life, and are ready to struggle for it, is more important than the study of philosophical reasons and differences in world-outlook of particular kinds of humanism, and of their concepts of personal happiness. The philosophical reasons and subtle considerations in the controversies over the autonomy of individual character, or social conditions on which it depends, are of no, or hardly any, importance to these people.

From this point of view two problems are of paramount importance: 1) does theory provide a realistic proposal for the liberation from social evil, and 2) are there given practical examples of the realization of such proposals which can convince interested people. In the case of socialist humanism, both realistic theoretical proposals, as well as practical proofs, exist, and this is the basis of its power, the secret of its success. People who do not understand and prefer to enjoy the climate of "wishful thinking" and deny reality, will certainly be surprised with its actual development and will lose in the competitive struggle.

Of course, an overall criticism of socialism can be cultivated, and its humanism can be obstinately denied, but sooner or later the hungry and extorted (SI) will come to the conclusion that hunger in a world of plenty will be wiped out only when the system of extortion is abolished. No hope of a reward in the other world, or the solace of absolute morality, will be able to stand up to the simple fact that social life, can be so arranged that people will not be obliged to go hungry while working for others. In this field socialist humanism has important assets on record which guarantee its superiority over its competitors.

A similar situation obtains in national, racial etc. oppression. This, which inspires people fighting against slavery and for a better life, is again the real prospect of freedom and its attractive examples. To the Asian and African people, and also increasingly to the people of Latin America, the Soviet Union or People's China will be the hero and example, and certainly not Portugal, Belgium or any other great Western power which cultivate some form of colonialism or patronizes it. Words will not suffice when practice and facts are involved. Socialist humanism also enjoys in this field a tremendous superiority over its competitors.

Finally, the problem of peace represents a key point in the "plebiscite" on the different concepts of humanism. A more important problem to people fighting for their personal happiness does not exist today. Also in this case not the words, but above all the deeds, are involved. For or against universal disarmament - is the only reasonable prospect for the solution of a difficult situation into which mankind has stumbled today. There is no doubt that both deeds and decision taken in this matter will exert their influence on the choice between attitudes, as well as between the different varieties of humanism.

We live in a beautiful epoch in which the problem of an individual's happiness, the problem of its realization, has emerged from the sphere of words and philosophical deliberations into the sphere of a practical struggle and practical realization. It is a fact which brings joy to a real humanist and a real warrior for the happiness of all mankind. It is increasingly difficult to play a wolf in sheep's clothing. It is increasingly difficult to act as a platonic adherent and to avoid engagement in the struggle for or against. Life calls for a definite choice and decision. Hence it is necessary to decide, This will also leave its mark on the struggle of different concepts of humanism, on the chances for a victory of their appeal to the masses. Independent of their awareness under the spontaneous pressure of the needs of life and the craving for happiness, they repeat after the poet in different languages and ways:

"We want to live happy on earth,  
and not decay in perpetual misery ..."

This is precisely what humanism teaches them. On it rests above all its force and historic importance.

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END

On 11 October 1961, one of the Soviet delegates at the UN's Second Committee (Lavrichenko) stated (following the line of his Party Chief):

"Mr. President, in the current development of world economy there appear quite definitely two trends, to lines of development. While the economy of world capitalism is developing at a slow rate, is experiencing crises and shocks, the economy of the world socialist system is characterized by rapid and stable rates of growth, by overall continuous rise in the economy of all socialist countries.... If the socialist countries' share <sup>in</sup> world industrial output<sup>7</sup> was about 1/3 in 1958, in 1960 it rose to 36%, with the USSR accounting for nearly 20 percent.... Already in the current decade (1961-1970) the Soviet Union, while creating the material and technical basis of communism, will surpass in per capita production the United States."

With this claim that the USSR was responsible for nearly 20% of world industrial output it did not seem exorbitant that, when assessments for UN contributions were being considered, the Soviet Union's share should be 14.97%. But in the UN Fifth Committee, another Soviet delegate (Roshchin) protested that this was too high, and expounded why the Soviet Union should not have to make such a large contribution. According to the UN record, Roshchin stated in substance:

"One of the main factors cited in the Committee's <sup>i.e.</sup> on Contributions<sup>7</sup> of reference was the temporary dislocation of national economies arising out of the Second World War. In that connection, the Committee had merely repeated what it had said in its previous reports, namely, that the consequences of war dislocations were largely reflected in the national income figures and therefore the countries concerned were receiving appropriate consideration for war damage under the existing system of allowances. It had thus failed to recognize the continuing importance of that factor for many countries and, in particular, for the Soviet Union whose economy had been dislocated by the war. In the Soviet Union, the war had destroyed over 7 million buildings, leaving 25 million people homeless. Industry, transport and agriculture had suffered tremendous damage. Damage to personal property of Soviet citizens was estimated at 679,000 million roubles in terms of pre-war State prices. The material and human devastation caused by the war were still felt at the present time: there was still a housing shortage and the last census had shown that there were 20 million more women than men in the Soviet Union. Those data illustrated the importance of the factor which the Committee underestimated."

A third Soviet delegate, Chernyashev, thought that the Soviet contribution should be 14.5%, and that the U.S. contribution should rise from 32.02% to 38.5%. If the figures proposed by Chernyashev were taken as a measure of relative national income, then Soviet national income would be 37.7% of U.S. income. Roshchin's ratio is actually a pretty fair one, about 3% low. An authoritative Western estimate is 41%. With such a ratio, it seems improbable that Soviet production, especially per capita, will surpass the U.S. by 1970. Actually, supposing continued development on both sides according to existing patterns, Soviet industrial production should be about 60% of that of the U.S. in 1970. Per capita industrial production would be somewhat less, as would overall national production. Soviet bloc industrial production in 1970 will probably be about 53% of NATO production; if other countries such as Japan and India were added to NATC figures, the Soviet bloc's proportion would be still lower. (It might be added that Chernyashev was only speaking of the "regular" UN budget, which does not include such UN activities as operations in the Near East and the Congo, UNICEF, and for the Palestine ~~refugees~~, to all of which the Soviet Union contributes little or nothing. Taking into account these activities, Soviet contributions in 1960 amount to 7.5% of U.S. contributions.

(End)

## The Creation of An Image

Authoritarian communism is dependent upon the existence of an idealized leader to justify its authority. If there is no uniquely endowed individual, the Party creates one. The public image of Stalin was the result of a well developed campaign in which all of the characteristics of a charismatic leader were attributed to him. That image has now been destroyed almost single handedly by the man who is replacing him as the infallible, wise and good leader of the people. All protests of the Soviets and their puppet leaders to the contrary, their explanations that "individuals represent collective leadership and the essence of communist society" and that there is no "cult of personality" around any communist leader, do not coincide with the facts. Some techniques used by the communists to create a cult of personality, in this instance around the figure of Nikita Khrushchev, are noted briefly in the passages below.

### AS A LEADER OF THE PARTY AND THE GOVERNMENT AND A HERO OF THE CIVIL WAR:

The History Of Moscow, publication of the USSR Academy of Science. Khrushchev is not mentioned in the first five volumes, but the sixth volume omits the name of Stalin entirely while mentioning Khrushchev nine times.

The History Of The Civil War In The USSR, publication of CPSU, Moscow. The first three volumes, published under Stalin, contain only one casual mention of Khrushchev. The fifth volume, published in 1959 and 1960, however, is heavily interspersed with quotations from Khrushchev's speeches, arranged to impress the reader with his importance as a national hero of the civil war -- despite the well known fact that the highest position occupied by Khrushchev during this period was as a student at the Party school of the Ninth Soviet Army. This fact does not prevent the official Soviet historians from including N.S. Khrushchev in the category of the "party leaders, collaborators and disciples of V. I. Lenin who organized the victory of the Great Revolution". (Page 314 - History Of The Communist Party Of The USSR 1959).

### AS A PARTY PHILOSOPHER AND THEORETICIAN:

Up to 1957 nothing was recorded on the subject. In 1958, however, in an article in the USSR Academy of Science's periodical "Questions of Philosophy" (No. 11, pages 35-39) A.V. Shcheglov and A.D. Shershunov quote Khrushchev as though he were an outstanding theoretician and sociologist.

In 1959 the praise of Khrushchev as a theoretician becomes more pronounced and we read -- "The principles of Marxism-Leninism received theoretical development and elaboration in the report by N.S. Khrushchev to the 21st Party Congress... The problems of the building of the new stages in the development of communism in USSR received creative and imaginative treatment in the report of the N.S. Khrushchev to the 21st Party Congress". (History Of The Communist Party Of The USSR, 1959, page 724.)

In 1961 the stature of Khrushchev as a theoretician and philosopher looms still larger and academician M. Mitin in his article "Communism and State", published in Pravda, 23 September 1961, omits any passage from Marx or Lenin while quoting Khrushchev as an authority on the subject. In tribute to Khrushchev the philosopher and thinker, his speeches are being published in millions of copies and, at the present time, complete works by Khrushchev are appearing in Moscow on expensive paper and with expensive bindings. The circulation is 100,000 sets. Besides this, the following publications are already in circulation: Peace Without The Armaments- Peace Without The Wars (2 volumes, Moscow 1960, 952 pages); For Peace, Disarmament And Freedom Of Nation (Moscow 1960, 336 pages); The Foreign Policy Of The USSR (2 volumes, Moscow 1961, 1287 pages); The Controlling Figures In The Development In The National Economy (Moscow 1959, 143 pages, 2 million copies.)

(continued)



In History Of Moscow Khrushchev is pictured as the man who produced the general plan for the reconstruction of Moscow, and as the man who guided and directed the architects in rebuilding and modernizing the city.

In the voluminous Universal History, published by the USSR Academy of Science, we read quotations from Khrushchev speeches which indicate his ability to prognosticate future developments of the world.

In 1961 publications of the CPSU under the title International Relations And Foreign Policy Of The USSR, Khrushchev is quoted and described as the angel of peace, leader of nations, and outstanding pacifist. On the subject of Khrushchev's visit to the 15th session of UN we read as follows: "Despite the fact that Khrushchev's presence in New York coincided with the presidential campaign his presence in the USA became the center of political life in America, relegating the election campaign to the second place." (Page 575.)

Similar quotations and expressions can be found in a special edition of 2 volumes, devoted to the Khrushchev trips to India, Burma, Indonesia and Afganistan, launched as party academic publications in 1961 under the title The Awakening East.

#### AS A UNIVERSAL GENIUS WITH UNDERSTANDING AND INITIATIVE IN CULTURE, LITERATURE, SOCIOLOGY AND SCIENCE:

In the CPSU's publication "Communist", (No. 12 for 1957) there was an article by Khrushchev under the title "For the Closer Union of Literature and Art With Life of the Nation". This article has been reprinted and quoted in many other Soviet publications, -- in magazines, newspapers and in separate pamphlets. His pronouncements on the subject became the bible and the guide for all those who tried to carry out and enforce the "party line". In the third volume of The History Of Soviet Literature (1961 publication of the USSR Academy of Science) there is a statement which says: "N.S. Khrushchev demonstrated to all of us the real meaning of and the implications of what constitutes 'the genuine and the conscious creative freedom' ". In the magazine "New World" for September 1961, in an editorial entitled "The Greatest Document of our Epoch", Khrushchev's pronouncements are identified as "the guiding rule for all Soviet people in their daily life and actions".

#### AS A FATHER OF HIS PEOPLE AND A BENEFACTOR OF HUMANITY STRIVING FOR THE PEACE OF THE WORLD.

In a popular book by P. Lopatin, Khrushchev is described as a man who has opened wide horizons for the family of the Soviet peoples, and as the man who, in promoting technical accomplishments, has contributed enormously to the material as well as the spiritual treasures of Soviet people. In

Literaturnaya Gazeta of September 16, 1961, in the article under the title "Son of the People" we read: "Every word pronounced by Nikita Sergeevich is imbued with the deepest respect for the work of those who create everything valuable on this earth. The people are reciprocating to him with their deepest love and affection. You can depend on our Nikita". And so on and so forth in same vein. Stories about the Khrushchev's fatherly benevolence to the masses are producing hundreds if not thousands of articles; quotations and references appear in all publications, and all official speeches refer to him or to his pronouncements in this vein.

The personality cult of Stalin is dead. But the personality cult of Khrushchev is second to none and all indications are that it will reach, if not surpass, that created around Stalin.

The cult of personality remains, -- it is a built-in, inevitable and essential part of the communist authoritarian system -- only the main character changes.

(End)